NOTE

ONLY THE FOLLOWING PAGES OF THIS PUBLICATION

HAVE BEEN FILMED

Cover 1, P. 3,

p. 18-19, 22-24,

26, 28, 30, 32-

34, 36, 38, 40,

44, 48, 50-51,

52, 57, 65.

formerly Merchandising Week
A GRALLA PUBLICATION
OCTOBER 1979

Merchandising

PUBLISHED FOR ALL INDUSTRY [illegible]

20014 015
65 05 012 00000 1 7907 8006
ACQ EDITOR MW
CONGRESSIONAL INFO SERVICE
7101 WISCONSIN AVENUE
WASHINGTON DC 20014

7th National Survey

PROFILING TODAY'S CONSUMER

- ELECTRONIC GAMES - SHORT AGAIN
- FOCUS ON FREEZERS
- PERSONAL CARE - SELLING A CONCEPT

-C4200-1

formerly Merchandising Week · A GRALLA PUBLICATION

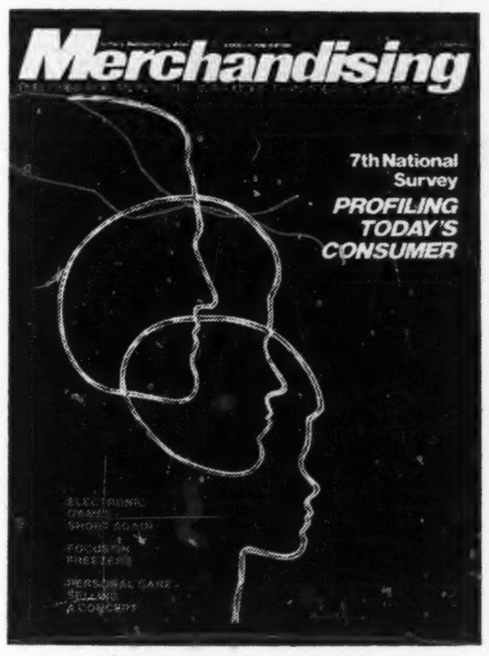
Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

OCTOBER 1979

7th National Consumer Survey



Merchandising's current study of consumer attitudes—based on in-depth interviews with 1,020 consumers in all of the nation's nine demographic regions—is, in one sense, the latest in our series dating back to April 1976. But in another sense, it is a lot more.

In addition to responses on how consumers feel about buying VCRs, hifi, car stereo, food processors, microwave ovens, etc., there was an outpouring of strong feelings, perhaps echoing the general mood of the country, but certainly with a potential for impacting on our marketplace.

There is more in this survey than statistical tabulations, more that warrants close and careful reading, says Fred Gottesman, executive editor and analyst of the 1,020 reports. **18**

Today's Consumer 52

Today's consumers, as revealed in this month's **RETAIL OPINION FILE,** aren't just more price conscious than they were a year ago. According to retailers surveyed throughout the country, they're a *lot more price conscious today.* They're also doing a lot more comparison shopping, are more difficult to trade up, and seem to be doing much less impulse buying.

The overall picture we get from retailers around the country is that the job of selling today's consumer is as tough as it has ever been ... maybe tougher.

Where do you fit in? For a revealing look at retailer attitudes, read this feature.

Focus 59

Electronic Games

Demand continues to outpace supply in non-video electronic games, forcing some retailers to revamp Christmas merchandising plans.

Freezers

What's hot and cold and a pleasant, if somewhat surprising, plus on the major appliance scene? It's freezers—the latest thing in inflation fighting.

Personal Care

It takes more than a new hairdo to make one feel good and that may be the secret to selling personal care today.

The approach to successful selling this category today is "head-to-toe."

Prerecorded Videocassette Report 54

In the beginning, it was easy.

As a new prerecorded videocassette dealer, you carried just about everything available. Now, however, something new comes in every day and inventory is a problem. What to do?

Some dealers don't touch prerecorded programs. Others just call it a pain. A few think they have the solution—such as rack jobbing.

Trendings 6

- VCR still selling nicely as dealers await 6-hour system.
- Hifi dealers try a little bit of everything to move product.
- Third quarter has been partularly good for freezer sales.
- Another strong fourth quarter for personal electronic sales.
- Trend is good for high ticket electric housewares.
- The magic word for fall nonelectric housewares promotions is *gourmet.*

Happenings

Raytheon Corp. would emerge as the fifth largest major appliance producer under an agreement to purchase part of its operations from McGraw-Edison 84
Toro plans to spend over $20 million on advertising in 1980 87
Major appliances and home entertainment comprised a smaller share of furniture store sales last year 81
Key appliance buying group meeting examines problems of VCR, disc retailing 84
Williams heads GE housewares/audio div, Van Orden named sector chief 89
Gault joins Rubbermaid as vice chairman 82
Sharp Electronics executive says VCR sales could reach possible 1 million units in 1980 88

PULSE

There's a lot of movement in clocks right now, mainly because Christmas is coming and clocks are a strong gift item. But the new models and styles have been important to sales all year with quartz travel models ringing up good sales. What else is ticking? **80**

From the Capital 4

A dramatic new land use policy being directed from the White House will have a lot to do with where new retail outlets are located in the year ahead. The idea is to give a big boost to the development of downtown shopping areas.

Product Picture

Electronics 66-71
Housewares 72-76
Major Appliances 77-79

Coming in November!

★ *The fifth annual Major Appliance Statistical & Marketing Report summing up the hot products and trends for 1979.*

A GRALLA PUBLICATION
VOL. 4, NO. 10 OCTOBER 1979

Ron Schneiderman, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)

Editor .... Ron Schneiderman
Executive Editor .... Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Jim Schneider
West Coast Editor .... Barbara Smith
(213) 788-0271
Research Director .... Sheila Ward
Art Direction .... Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director .... Jared Liebowitz
Promotion Director ..... Peggy I. Sholtz
Production Director .... Barry Miller
Production Manager .... Susan Benvenuto
Assistant Production Manager .... Vicki Lauro
Circulation Director .... James Fischer
Circulation Manager .... Lisa Hoff
Classified Manager .... Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3601 W. Devon Ave., Chicago, IL 60606
George Stevens (312) 588-7622

West Coast Regional Office
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.
PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow.

COPYRIGHT© 1979 by Gralla Publications Inc., all rights reserved. The contents of this publication may not be reproduced either in whole or in part without consent of copyright owner.

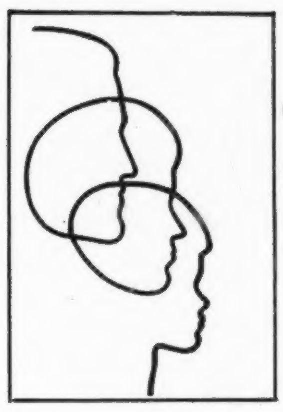
MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

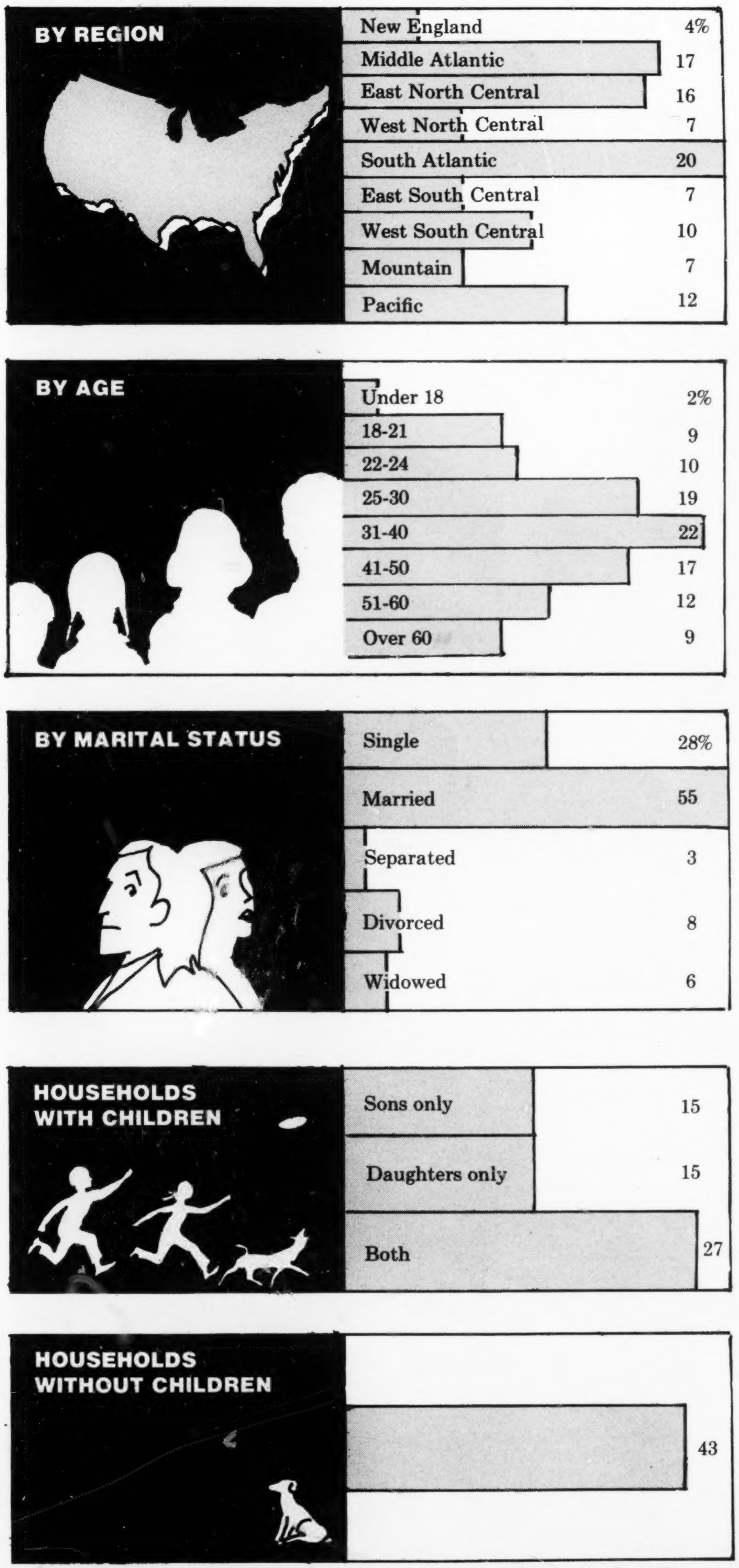
MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.



7th National

Demographic Breakdown



**Households with children plus households without children equals 100%.*

***M**erchandising's* seventh national Consumer Survey—based on personal interviews with 1,020 consumers in all of the nation's nine demographic regions—is, in one sense, simply the latest in a series dating back to April 1976. But in another sense, it is a lot more.

What is especially noteworthy was the outpouring of feelings, strong attitudes which reflect not only on specific products and their marketplace, but also seem to mirror the mood of the country in general.

Our correspondents reported that people appeared to be more eager to respond to the questionnaires than ever before. They seemed to want to make some kind of statement about the economy, about government, about lifestyles.

Many consumers seem to feel that many of the products being offered them are unnecessary, energy-wasting and extravagant. Some claim that manufacturers don't stand behind their products, that salespeople lie to them, that warranties are written "in fine print" so as to cheat the public.

Others generally believe that the energy crisis as proclaimed by the government is 'phoney," that runaway inflation and spiralling taxes are examples of gargantuan government ineptitude, if not downright fraud. The word "ripoff" tumbled from consumers' lips again and again. In short, there was expressed a cynicism, a hostility and sense of betrayal unprecedented in any of the earlier studies.

A young married working woman in North Bend, WA said: "I would gladly invest in all the newest gadgets, whether they be appliances or entertainment things such as stereos and videotape recorders and all the helpful kitchen appliances such as a microwave oven, but the biggest problem is inflation—how do you increase your income enough to keep up with the new products AND the high prices?"

And a laborer in his mid-thirties, divorced and the father of three, in Buffalo asserted: "Prices of everything—food, appliances, cars, even liquor—are just too high. I'd like to buy energy-saving prod-

Consumer Survey

ucts, convenience and entertainment appliances, but it's all I can do to barely make a living."

But a business manager in suburban Minneapolis charged: "The American public would even buy an electric fork. Not me! I see people charging their way to financial problems, buying stuff they don't need."

A housewife in Pittsburgh asked, "Isn't this home security stuff a lot like energy efficiency—manufacturers playing on national problems to the point that we are all going a little nuts?"

A middle-aged Denver businessman stated, "Every effort should be made to save wherever possible; not enough people take the energy problem seriously."

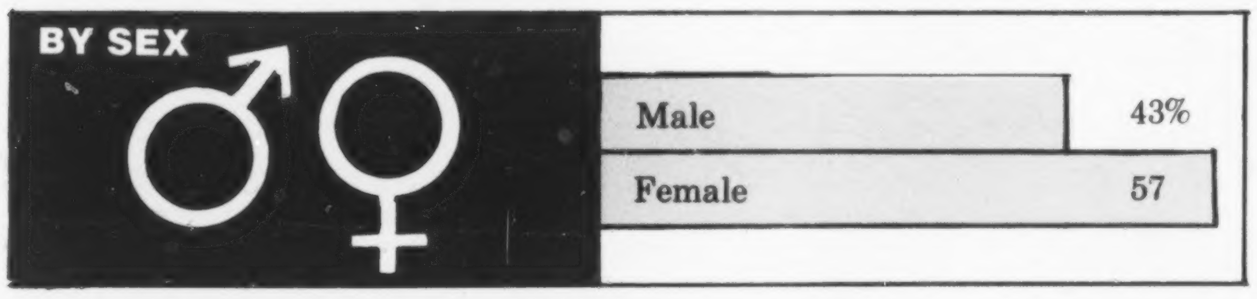
And a Philadelphia woman who works with her husband in a family business noted, "I'm sure it's important but you just ought to be able to expect something like this (energy efficiency) the way you do the cord or the light switch."

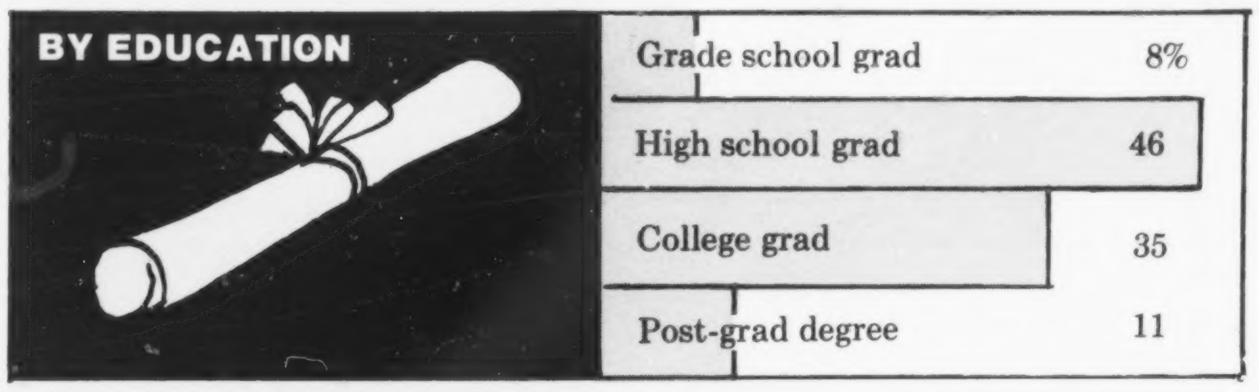
While a self-employed 35-year-old Omaha homeowner commented: "You can go to extremes in sacrificing for efficiency. If you can't have the features you want, you might as well go back to beating your clothes on a flat rock down by the river and cooking over an open fire."

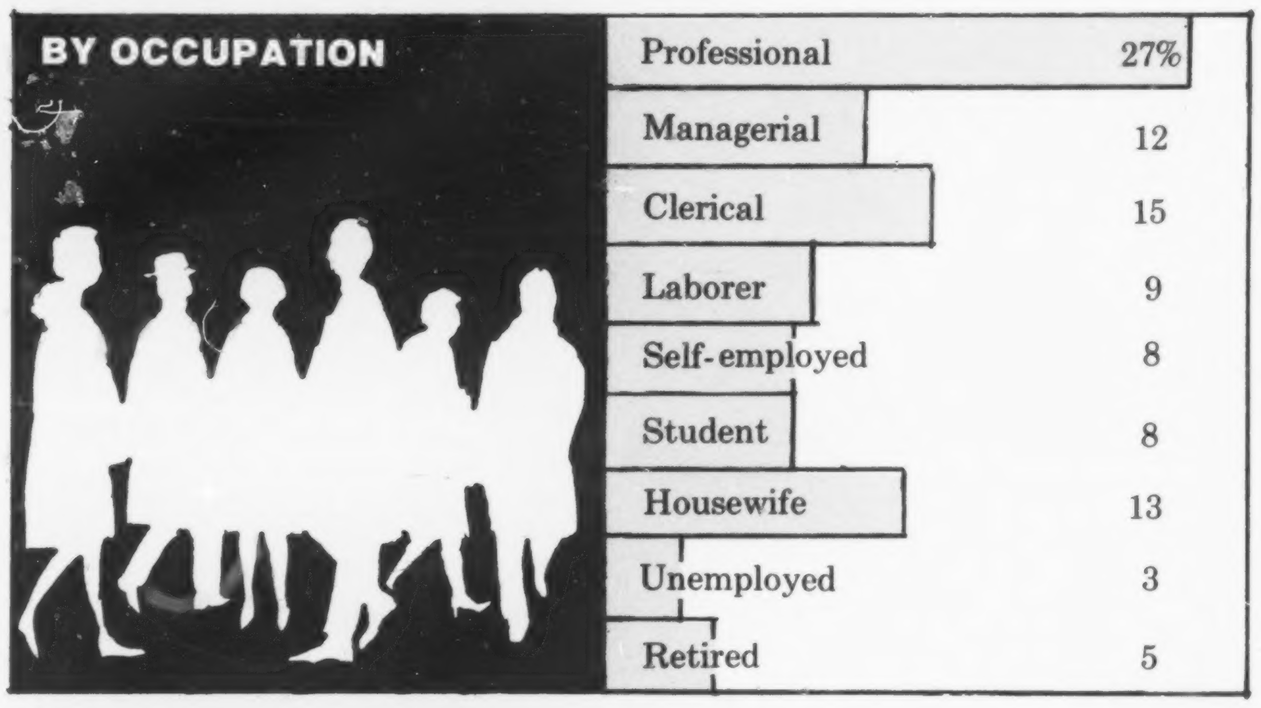
But a Miami manager and father of two summed up the issue for himself, saying, "The bottom line is I end up getting what I want, not necessarily what's most practical or patriotic."

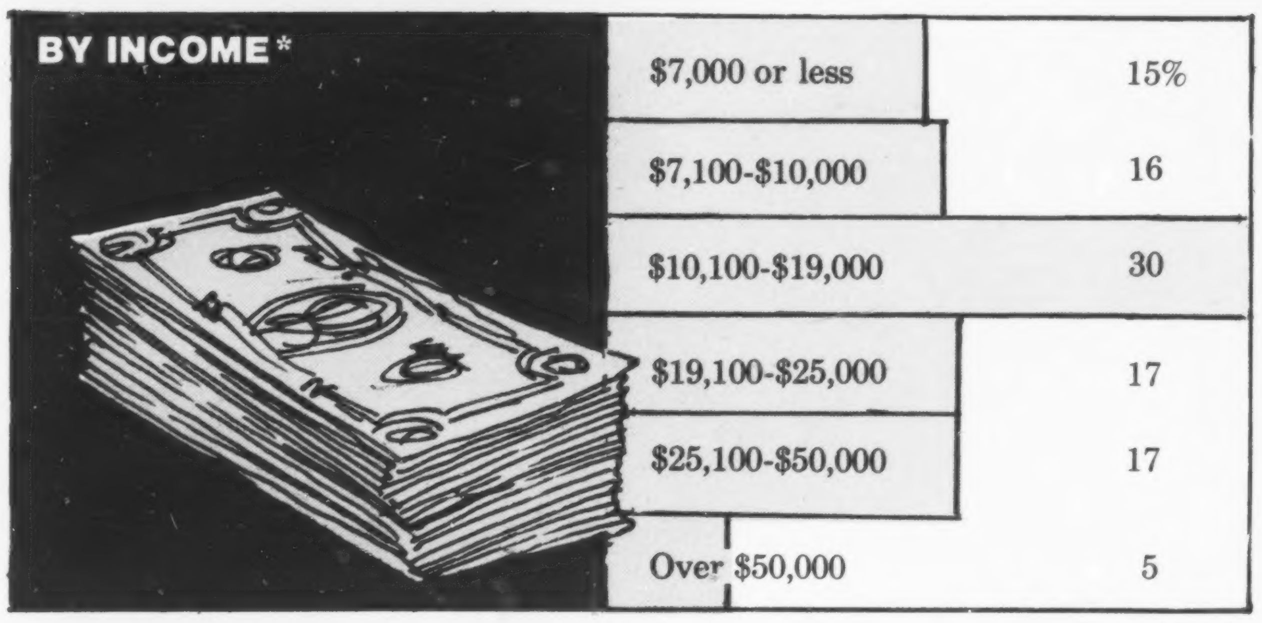
These consumer attitudes do not necessarily represent a consensus or even a cross-section of national opinion—this Consumer Survey is a random, not a statistically projectable sampling. But whether based on musunderstanding or ignorance, unwarranted cynicism or isolated prejudices, their potential for impacting adversely on our industries is great and growing.

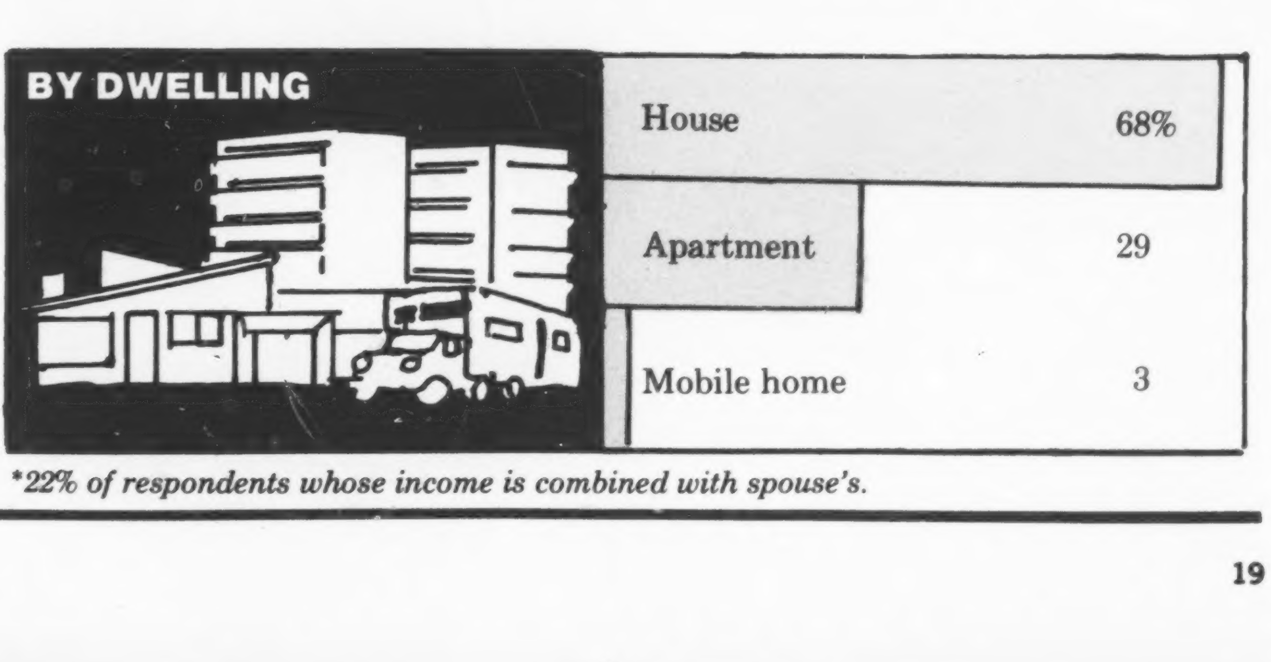
There is more in this survey than statistical compilations, more that warrants close and careful reading. Even if the "fine print" here is between the lines, it could benefit us all to listen well to the voice of the people.



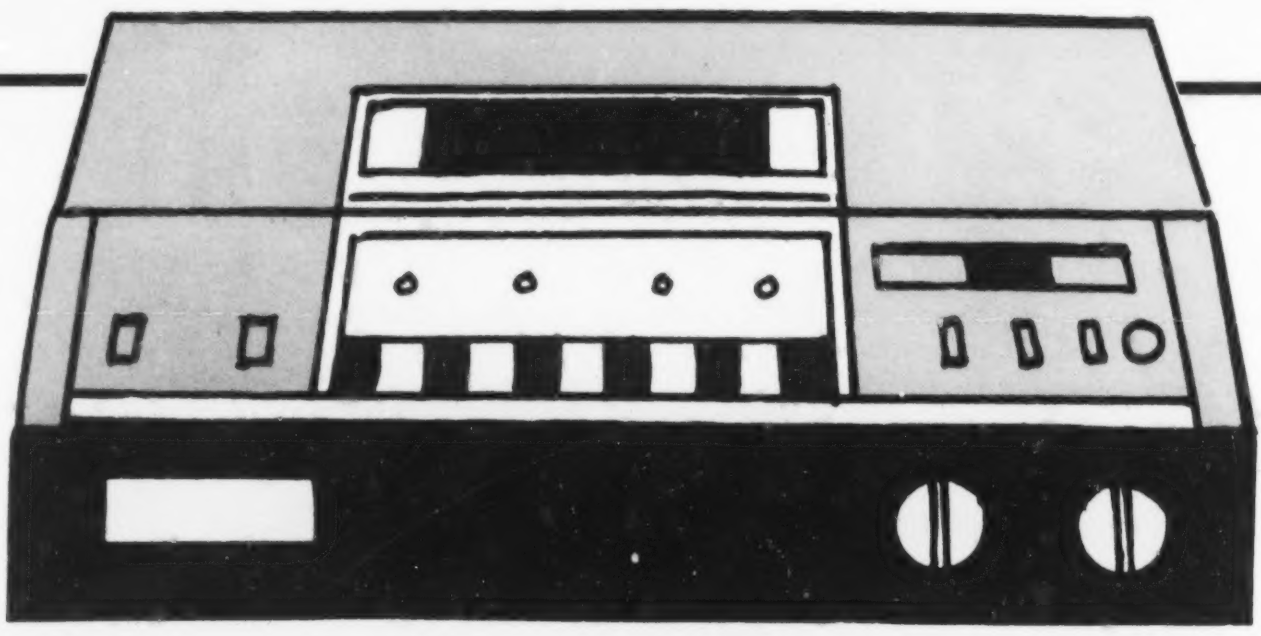






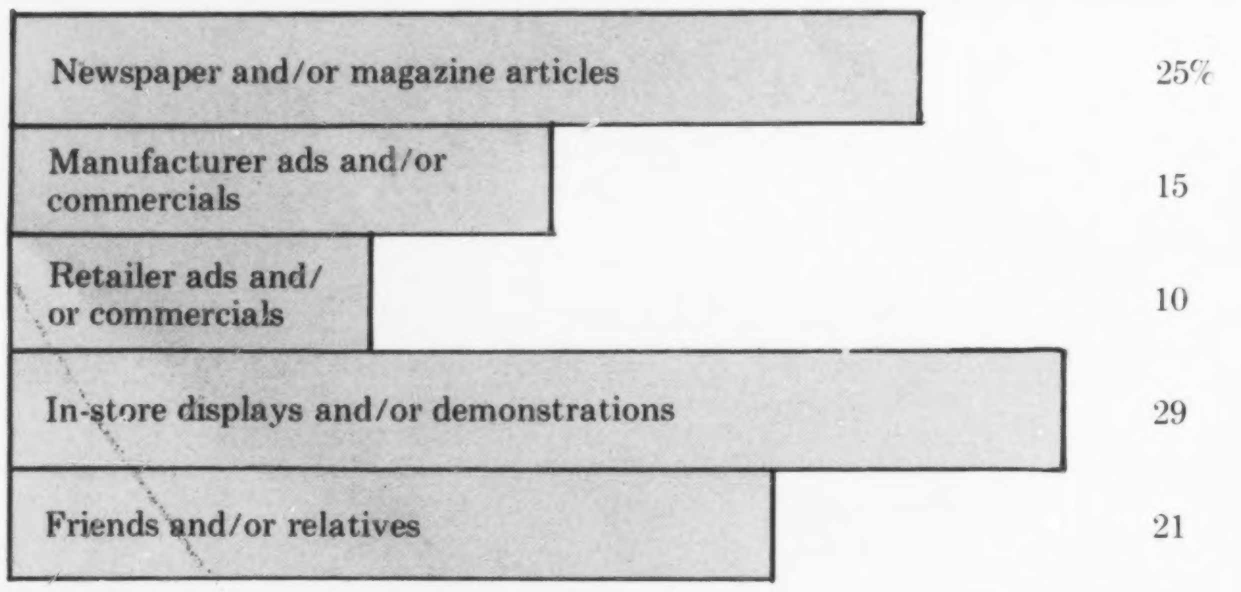


**22% of respondents whose income is combined with spouse's.*

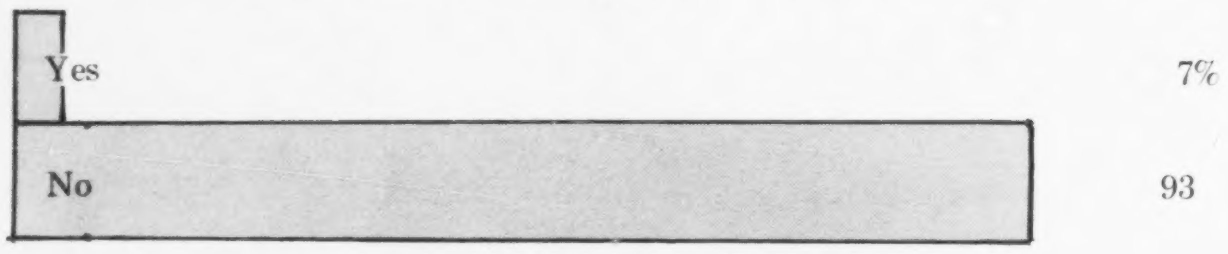


Videotape Recorders

Where are you learning most about videotape recorders?

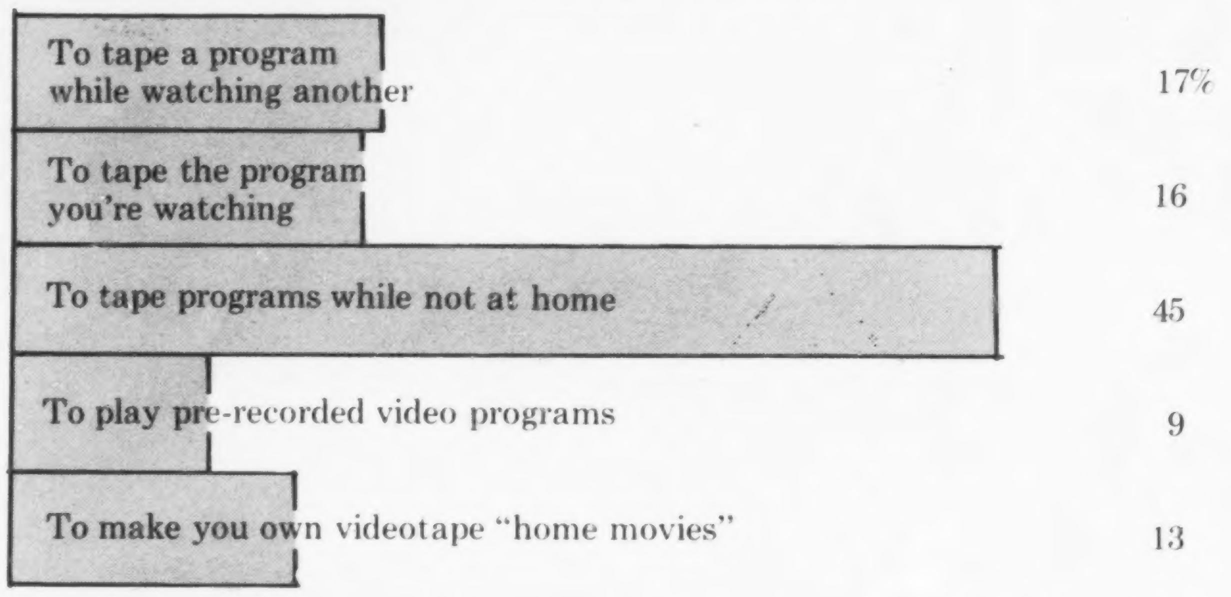


Do you own a videotape recorder?

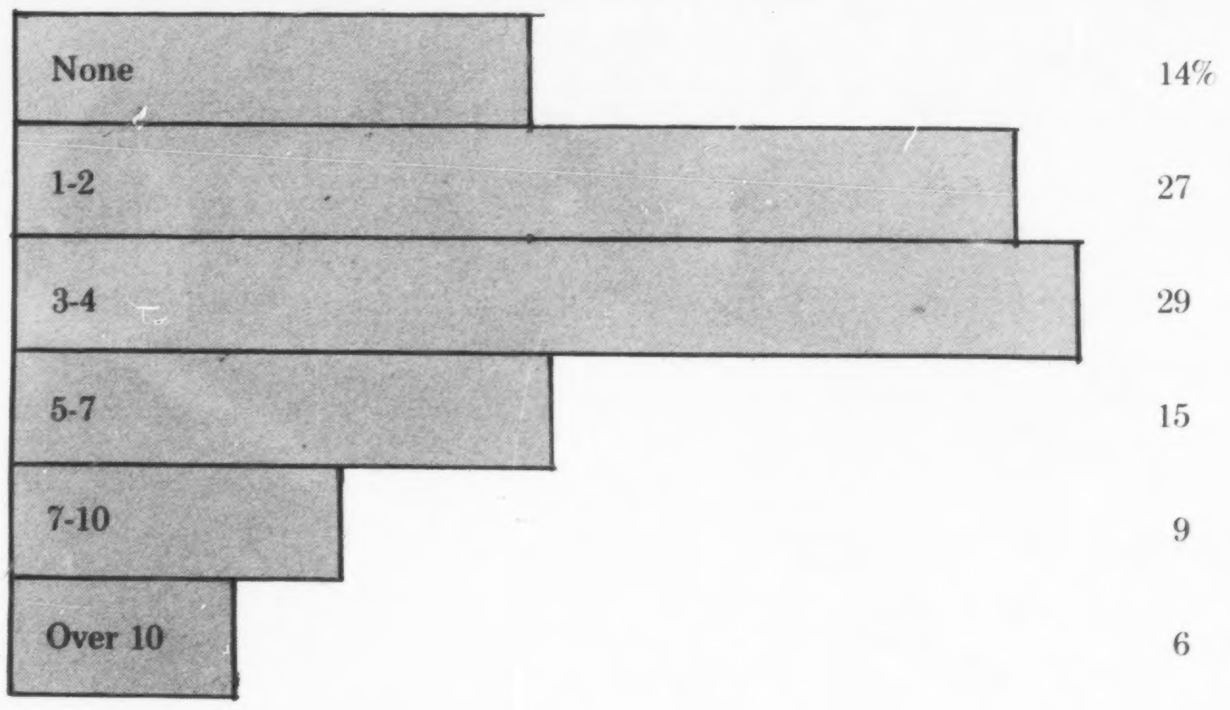


VIDEOTAPE RECORDER OWNERS ONLY

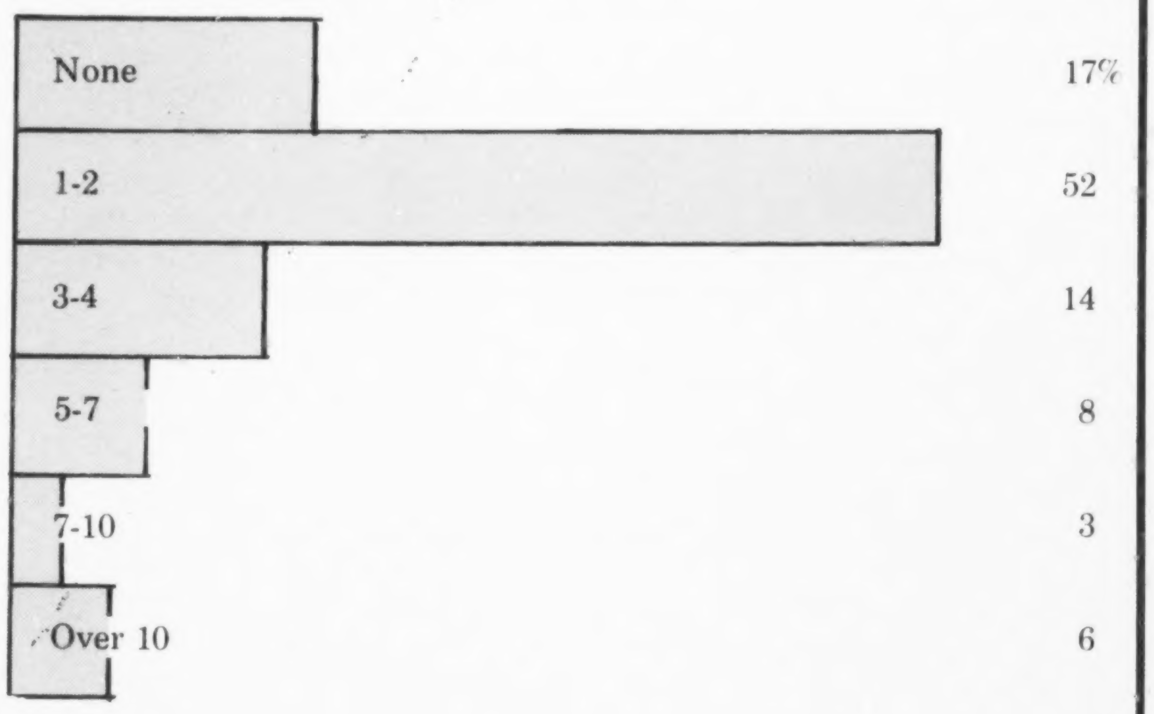
How are you using your videotape recorder?



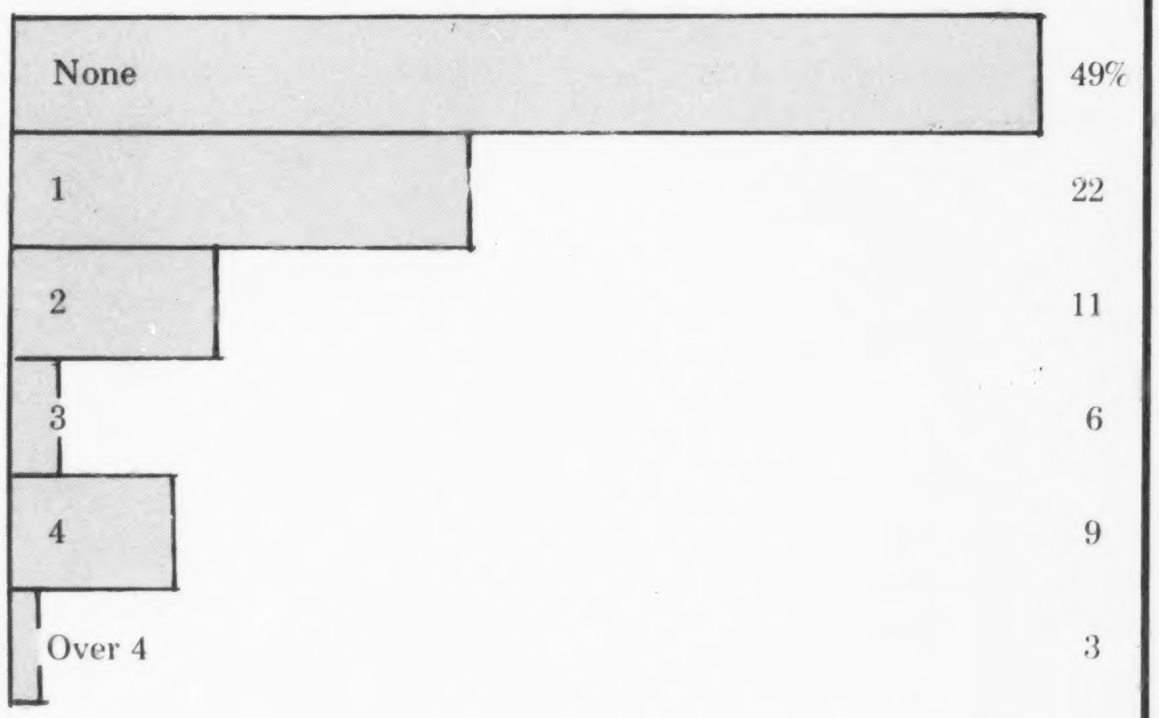
How many blank tapes did you buy initially (not included "free" as part of the sale)?



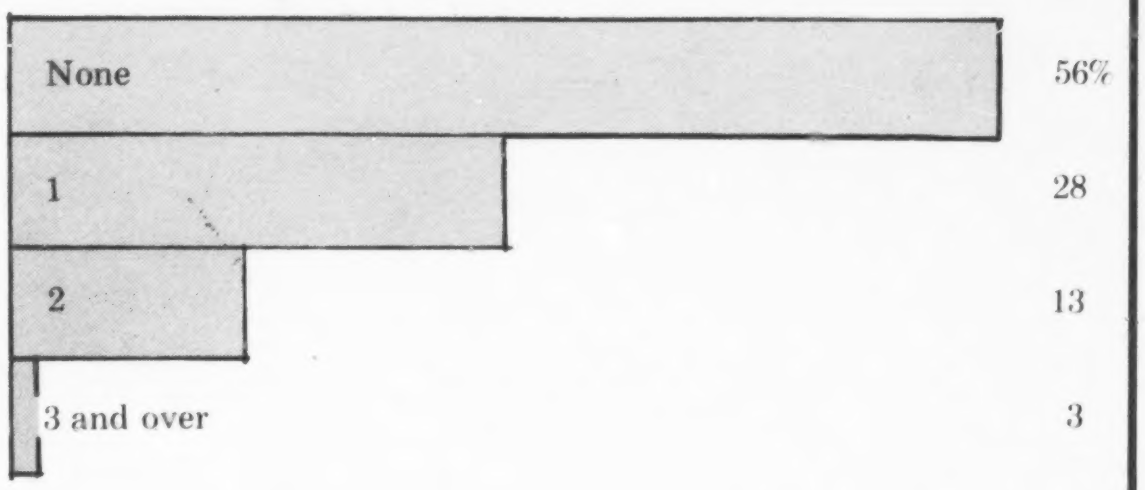
How many do you now buy per month?



How many pre-recorded tapes did you buy initially (not included "free" as part of the sale)?



How many do you now buy per month?



Videotape Recorders

Price appears to be a matter of growing concern among potential purchasers of videotape recorders, *Merchandising*'s current survey finds.

Increasingly, consumers who indicated no plans to buy a VCR unit cited the high cost as their main reason. Along with their generalized complaints about inflation, many specifically indicated the product as being an "extravagant luxury" and an "expensive toy."

As a middle-aged New Orleans clerical worker and the mother of three said: "I'd like to have a videotape deck to tape programs when I'm not at home, but it's too expensive now. I may get one later when their price comes down."

But even among those consumers who said they plan to buy a VCR unit within the next six months, price was important. They study shows that 42% of the respondents expect to pay no more than $800 for one, compared to the 27% who declared for that price point in last year's survey. And 13% pegged the $1,100-and-over ticket this time around vs. 23% in the 1978 poll, a decline of 10%.

However, price was not the sole reason given for not buying a videotape recorder. "Most tv programs are so inconsequential," said a Minneapolis college professor, "that seeing them once is too often." And a bachelor in Buffalo, NY charged somewhat less elegantly, "Tv stinks!"

With only 17% of the respondents considering the eventual purchase of VCR, a sampling of negative opinion reveals several consumers who would agree with a Denver newspaperman who said, "I'm waiting for cable tv to come to the city when I'll have no need for a videotape recorder." And a professional man with two children in Culver City, CA told the interviewer: "I won't get a videotape recorder; they're on the way out. I'll wait for videodisc."

Also, although price was the most frequent reason given by the 64% of respondents who had no plans to buy a video camera to go along with their anticipated VCR purchase, another repeated objection was raised: A married professional man in St. Paul stated, "I'm not into porno." And again, a married working woman in her mid-40s in Los Angeles added: "I plan to get a video machine soon, but not to make home movies; that's kinky."

Still, several middle-aged and elderly people cited home movies of their grandchildren as their prime reason for wanting a camera.

As to which type of store the consumer expected to buy his/her videotape recorder, the video specialty store was the growing favorite with 29% of the respondents, up from last year's 23%. The electronics specialty store and the appliance/tv store also registered gains, 14% vs. 11% and 16% vs. 14% respectively. Other retail types either held even or lost some ground.

As for the 7% of the more than 1,000 consumers interviewed nationwide who already own a videotape recorder, questions about tape buying habits—both blank and prerecorded—revealed some interesting data.

For example, 86% of consumers queried said they bought blank tapes at the time of their VCR purchase, but not included "free" as part of the sale. This contrasts with the 78% in last year's survey. But only 51% of the respondents bought prerecorded tapes under similar circumstances, compared with the 63% in the 1978 study.

As for how many blank tapes these VCR owners buy per month, only 17% said none while 6% claimed to purchase at the whopping rate of over 10 per month. Prerecorded tapes didn't fare as well, with 56% of the respondents stating they buy none on any regular post-purchase basis.

Some interesting contrasts and similarities were developed when both owners and prospective owners were asked about how their VCRs were being or would be used.

In first place in both cases—45% for owners and 38% for future owners—was taping programs while not at home. In second place, use was described as taping while watching another show—17% of owners and 22% of prospective owners. The greatest divergence occurred on using the deck to play prerecorded cassettes. This use ranked third with future owners, but last with owners. Apparently, the difference between expectations and actual experience.

In any event, there seemed to be little sign that consumer excitement over videotape recorders was ebbing. Regardless of the occasional controversy or even contradiction implicit in some consumer opinions, owners provided the best testimonials of continuing interest. As a young Omaha owner said: "I like to tape things like sports events, and then I edit out the commercials. It's great being able to watch solid action."

→

Videotape Recorders

VIDEOTAPE RECORDER NON-OWNERS ONLY

Are you considering purchasing a videotape recorder?

	%
Yes	17%
No	83

If Yes:

Why?

	%
To tape a program while watching another	22%
To tape the program you're watching	10
To tape programs while not at home	38
To play pre-recorded video programs	16
To make your own videotape "home movies"	14

Would you prefer a portable or table model?

	%
Portable model	52%
Table model	48

Where would you expect to purchase a videotape recorder?

	%
Appliance/tv store	16%
Catalog chain (Sears-type store)	8
Catalog showroom	2
Department store	9
Discount store	10
Electronic specialty store (such as Radio Shack)	14
Hifi specialty store	11
Video specialty store	29
Other	1

What price would you expect to pay for the VTR?

	%
Under $600	9%
$600-$699	13
$700-$799	20
$800-$899	17
$900-$999	13
$1000-$1099	15
$1100-$1199	3
1200-$1299	7
Over $1300	3

Would you buy a videotape camera to go along with your VTR unit?

	%
Yes	36%
No	64

If yes, would you buy a black and white or a color camera?

	%
Black & white	12%
Color	88

What price would you expect to pay for a black and white camera?

	%
$300	45%
$400	36
$500	19

What price would you expect to pay for a color camera?

	%
Under $700	22%
$700-$799	38
$800-$999	27
$1000-$1499	9
Over $1500	4

High Fidelity

Although 21% of the consumers interviewed in this latest survey said they intend to buy a component hifi system within the next six months (a hefty jump over last year's 10%), they apparently don't plan to spend as much as they did last year.

The largest group of potential purchasers (41%) said they were prepared to budget in the $350-$599 range for their system and 23% expected to pay no more than $350. This contrasts with 1978 results of 31% opting for the $350-$599 range and 13% for the under-$350 category.

In addition, perhaps influenced by the prevalent recession talk, only 10% of the respondents indicated they

(Continued on page 28)

Where are you learning most about component* hifi systems?

Newspaper and/or magazine articles	20%
Manufacturer ads and/or commercials	16
Retailer ads and/or commercials	14
Friends and/or relatives	50

**Made up of separate units such as amplifier, turntable, speakers, tape deck, tuner, etc.*

What kind of sound system do you own?

Compact stereo	19%
With 8-track	39
With cassette	14
With both	6
Component hifi system	44
With cassette deck	39
With open-reel	28
With 8-track	17
Console stereo	18
With 8-track	28
With cassette	9
With both	10
None of the above	19

COMPONENT HIFI OWNERS ONLY

Are you considering upgrading your system within the next six months?

Yes	31%
No	69

If yes, what will be the most important change?

Buy new speakers	32%
Buy new turntable	19
Buy an equalizer	5
Buy more powerful amplifier	12
Add or replace tape deck	15
Buy complete new system	17

COMPONENT HIFI NON-OWNERS ONLY

Are you considering buying a component hifi system within the next six months?

	%
Yes	21%
No	79

If Yes:

What price would you expect to pay for one?

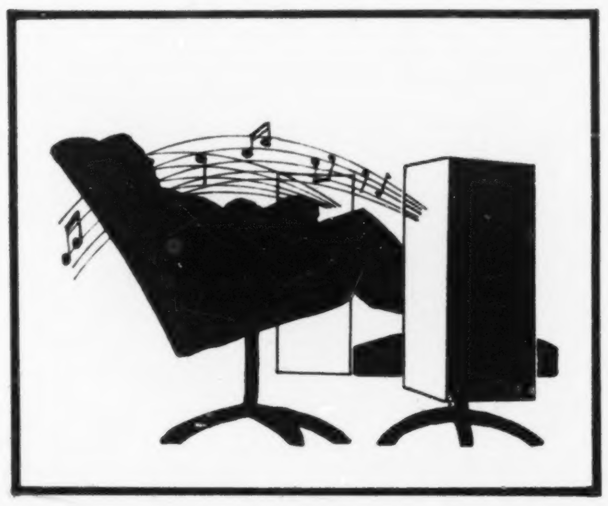
	%
Under $350	23%
$350-$599	41
$600-$799	16
$800-$999	10
$1000-$1400	6
Over $1400	4

Where would you expect to buy it?

	%
Appliance/tv store	8%
Catalog chain (Sears-type store)	9
Catalog showroom	4
Dept. store	17
Discount store	17
Electronic specialty chain (such as Radio Shack)	17
Hifi specialty store	26
Other	2

High Fidelity

• *Continued from page 26*



would pay $1,000 or more for hifi sound. Last year 29% declared for that loftier level.

Responses to the "where would you expect to buy your hifi system" question tend to confirm previous stories in these columns (especially *Merchandising*, Dec. 1978, pp. 44-45) that the patterns of hifi distribution are changing.

Although findings of the current study show hifi specialty stores still ranked no. 1 with 26% of the votes, this is a sharp drop from last year's 46%. If hifi specialty stores are indeed losing share of market, as this tabulation suggests, they are losing it to department and discount stores. Both retail types came in with 17%, compared with 1978's 10% and 11%, respectively.

The Sears, Penneys type of catalog chain operation picked up share (9% vs. 6%) and appliance/tv stores also made modest gains (8% vs. 6%).

(For other information on where consumers shop and why, please see "Shopping Patterns" elsewhere in this feature.)

Word-of-mouth is still the hifi industry's most common form of communication. Fifty percent of the respondents noted that their main source of information about hifi was friends and/or relatives. Newspaper and/or magazine articles ranked second.

Hifi Owners

Among those consumers who already own some kind of sound system (81% of respondents), hifi ownership was relatively constant (44% vs. 45% in 1978). But compact stereo owners declined to 19% from 23% last year. However, a demonstration that in some homes furniture styling is preferred to sound quality may be seen in the fact that 18% possess console stereo, compared with 13% in the year-earlier survey.

With 31% of the respondent-owners of high fidelity equipment indicating they plan to upgrade their systems within the next six months, the largest number (32%) said they expected to buy new speakers.

Although this has long been the most popular step-up component, not everyone agreed. Said a professional man in his mid-forties, with two children, living in Honolulu: "We have a good hifi system now, but my son wants me to get better speakers. 'For better sound,' he says, but I don't know why, it's too loud now."

Other moves to upgrade

Other respondents were more interested, however, in making different upgrading changes. Nineteen percent expect to buy new turntables, 15% wish to add or replace a tape deck, 12% want a more powerful amplifier, and 17% want to start all over again by purchasing a complete new system.

Then, there's still the issue of what kind of music component hifi systems produce. To at least one person, a retired woman in San Francisco, this is not a rhetorical question. "We won't buy a hifi; my husband and I don't like that kind of music in our house," she insisted.

In a least partial agreement was a wife and professional woman in Towson, MD who asserted, "Except for the kids, most of the people who have those fancy high fidelity systems don't really know the difference in sound from the man in the moon." •

Car Stereo

Where are you learning about car stereo?

	%
Newspaper and/or magazine articles	15%
Manufacturer ads and/or commercials	13
Retailer ads and/or commercials	14
In-store displays and/or demonstrations	11
Friends and/or relatives	47

Do you have stereo in your car?

	%		%
Yes	48%	No	52

Car Stereo Owners Only

Did the car stereo come as original equipment or did you install it after you bought the car?

	%		%
Came with	62%	Installed later	38

What does the car stereo include?

	%
8-track	33%
Cassette	31
Radio only	36

If radio only, which would you want in your car?

	%
8-track	19%
Cassette	35
Neither	46

Do you plan to upgrade your car stereo system in the next six months?

	%		%
Yes	17%	No	83

If yes, how would you do it?

	%		%
Buy new speakers	35%	Buy a new cassette deck	21
Buy a new radio	3	Buy an amplifier/booster	16
Buy a new 8-track	9	Buy a complete new system	16

Car Stereo Non-Owners Only

Are you considering buying a car stereo system in the next six months?

	%		%
Yes	15%	No	85

If yes, where would you expect to buy a car stereo?

	%
Appliance/tv store	1%
Auto supply store	15
Car dealer	7
Catalog chain (Sears-type store)	4
Catalog showroom	1
Department store	6
Discount store	10
Electronic specialty store	19
Hifi specialty store	33
Other	4

What would you expect to pay for a car stereo system?

	%		%
Under $150	36%	$301-$350	7
$150-$200	39	$351-$500	2
$201-$250	5	Over $500	1
$251-$300	10		

Would you expect to install your new system yourself, or would you have it installed professionally?

	%		%
Install self	42%	Professionally	58

What would you expect to pay for professional installation?

	%		%
Under $25	25%	$46-$55	16
$25-$35	35	$56-$70	8
$36-$45	12	Over $70	4

It is apparent that gasoline shortages, as much as higher prices on everything including gasoline, are coloring consumer attitudes toward car stereo, according to responses to *Merchandising's* latest Consumer Survey.

Aside from those people who believe car stereo is only for kids or is a sinful waste of money, there are those whose objections are more a matter of practical concerns.

A Pittsburgh housewife complained, "Our car is already such a big expense we've disconnected the air conditioner in it to save gas." And a professional man in Council Bluffs, IA said, "At a $1 a gallon for gasoline, I don't spend any more time in my car than necessary."

Another common thought was expressed by a 35-year-old self-employed man in Omaha who said of car stereo, "They get ripped off too easily, and you get your car damaged in the bargain."

Nevertheless, 48% of the respondents to the study said they have a stereo system in their cars, compared with 40% last year. Also, intentions of non-owners to buy autosound inched up—15% vs. 14%—as did owners' plans to upgrade their equipment—17% vs. 16%.

Of the owners of car stereo, 62% declared it came with their cars, while the 1978 survey showed 61% got their systems already installed.

Kinds of equipment

Also in this group, distribution of the various kinds of equipment was fairly even: 33% with 8-track, 31% with cassette and 36% radio only. Yet among this last category, 54% stated they wished they had either cassette (35%) or 8-track (19%).

But only 17% of those people who currently possess an autosound system plan to upgrade it within the next six months. And the largest number (35%) would accomplish this by buying new speakers. Compared with last year's 10%, a surprising 21% of the respondents said their upgrading plans included buying a new cassette deck. Replacing the radio accounted for the smallest number, 3%.

Among those consumers who were somewhat less enthusiastic about upgrading their car stereo was the Detroit laborer who insisted, "I'll upgrade my system when I get a new car, not before."

And an Albany grandmother commented, "I have more important priorities. A radio is all I need, mostly for weather and traffic reports."

But to others, autosound was not considered a luxury. A professional woman in Los Angeles noted, "The excellent stereo system in my car is one reason I bought it. I frequently drive long distances and it makes these trips more enjoyable."

Non-owners

A Denver mechanic included himself among those who are considering buying a car stereo system in the next six months. "I've got lots of great music on cassettes that I play at home. I want to be able to listen to these tapes when I'm driving around, too."

Of those respondents who are planning to purchase a car stereo system, cost is a consideration. Forty-two percent say they will install their systems themselves, compared with the 39%

(Continued on page 32)

Car Stereos

• *Continued from page 30*

who responded to this question last year. And expectations about autosound prices have also changed.

Compared with 29% in 1978, this year 36% of the consumers interviewed are prepared to pay under $150 for car stereo, and 39% (vs. 30%) are targeting the $150-$200 price range. At the high-end, not unexpectedly, those who would spend over $350 for their sound-on-wheels declined to 3% of respondents, from last year's 6%.

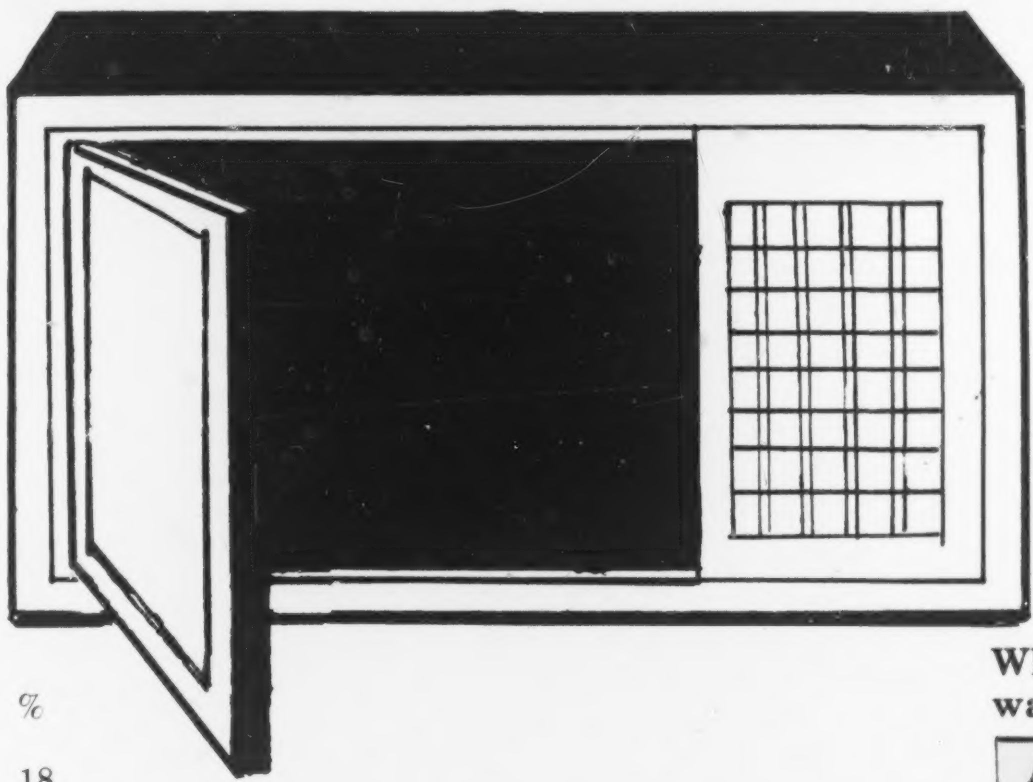
For the 58% of the consumers who plan to have their new car stereos installed by professionals, 25% expect to pay under $25 for the service, 35% believe the cost will be $25-$35, and a scant 4% feel the charges will be over $70.

Although car stereo is not a new phenomenon among consumers, 47% of the people interviewed in this study still derive most of their information from friends and/or relatives. The second most prevalent source is the printed word in the form of newspaper and/or magazine articles. This held true for 15% of the respondents. And people learn about car stereo mainly through in-store displays and/or demonstrations in only 11% of the cases.

Last year's tabulations showed similar proportions, although the actual percentages were somewhat different.

All in all, this category of consumer product seems to leave few people indifferent or ambivalent: There are those who like and want car stereo, and those who don't. But, based on our study, the ones who do are gradually increasing, gasoline shortages notwithstanding. •

Microwave Ovens



Where are you learning most about microwave ovens?

	%
Newspaper and/or magazine articles	18
Manufacturer ads and/or commercials	23
Retailer ads and/or commercials	12
In-store displays and/or demonstrations	11
Friends and/or relatives	37

Do you own a microwave oven?

	%
Yes	23
No	77

MICROWAVE OWNERS ONLY

Are you familiar with cookware made especially for use with a microwave oven?

	%
Yes	94%
No	6

Did you buy microwave cookware (not included "free" as part of the sale) when you purchased your microwave oven?

Yes	57%
No	43

Was it a packaged set or single pieces?

Packaged set	51%
Single pieces	49

Since buying your microwave oven have you purchased additional microwave cookware?

Yes	61%
No	39

If yes, where

Store where microwave oven was bought	39%
Another store	61

Are you considering the purchase of additional microwave oven cookware?

	%
Yes	38%
No	62

If yes, where would you expect to buy microwave oven cookware?

	%
Appliance/tv store	15%
Catalog chain (Sears-type store)	7
Catalog showroom	4
Department store	39
Discount store	17
Gourmet specialty shop	17
Other	1

MICROWAVE NON-OWNERS ONLY

Are you considering the purchase of a microwave oven?

	%
Yes	27%
No	73

Why?

	%
Defrosts food faster	13%
Cooks faster	65
Uses less gas or electricity	17
Like taste of microwave-cooked foods	1
To replace old range	4

Where would you expect to buy a microwave oven?

	%
Appliance/tv store	28%
Catalog chain (Sears-type store)	21
Catalog showroom	4
Department store	21
Discount store	14
Hardware store	1
Home improvement center	2
Kitchen remodeler	3
Other	6

Are you more interested in: (A) a countertop microwave oven, (B) a single-cavity combination of microwave oven and gas or electric range, (C) a double-oven combination of microwave oven and gas or electric range?

	%
A	84%
B	6
C	10

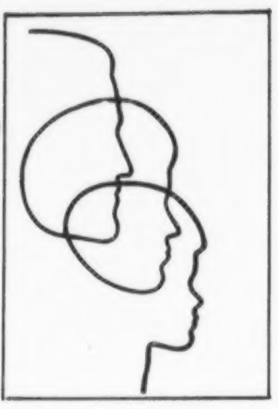
What price would you expect to pay for a countertop model?

	%
Under $350	26
$350-$449	38
$450-$499	21
$500-$600	13
Over $600	2

What price would you expect to pay for a combination model?

	%
Under $900	26%
$900-$1099	42
$1100-$1299	17
$1300-$1399	9
Over $1400	6

CONSUMER SURVEY



Microwave Ovens

Regardless of the many cries of "it's way too expensive" and "I don't like the way the food tastes" and "it's unsafe," the future of microwave ovens seems to be assured. At least this is what *Merchandising's* current Consumer Survey indicates.

In-depth interviews with over a thousand consumers show 27% of respondents are planning to buy a microwave oven within the next six months, a brisk 11% higher than the results in last year's study.

Although interest in microwave ovens is obviously growing, it is primarily in countertop models. Intentions to buy combination models, either in single-cavity or double-oven configurations have waned to the point where 16% say they favor these over countertop units, compared with 27% in the year-earlier survey. Biggest loser was the double-oven type, dropping to 10% from 19% previously.

Anticipated price points

As for the prices people expected to pay for a countertop oven, the most popular continued to be the $350-$449 range. Thirty-eight percent of respondents selected that tag. However, the second-place ticket went to the $450-$400 bracket, 21% vs. 12% in 1978. Inflation or not, consumers are apparently still willing to pay for the features usually found in those price ranges, rather than opting for stripped-down models with the lowest tags.

Appliance/tv stores are still the leading type of retail outlet for potential purchasers of microwave ovens, at least for 28% of the respondents. Department stores and catalog chains such as Sears and Penneys tied for second place with 21% each. This, however, represents a 4% gain for the catalog chains and a 5% decline for department stores compared with 1978.

Faster cooking was the principal reason given for planning to buy a microwave oven for 65% of the people interviewed. As a Honolulu working mother put it: "I want one. With a job and trying to raise two girls, I think I'd appreciate how fast it works defrosting and cooking other things in a hurry. It also helps using leftovers."

And a Monroe, LA widow said, "It's very expensive, but I sure wish I had one."

Fears still persist

On the other side of the coin, most of the respondents who were against owning a microwave oven seemed to still cling to the bugaboo of safety.

A professional woman in Hastings, MN succinctly said, "Dangerous to my heatlh." And a middle-aged man in Philadelphia added, "Correct or not, I'm afraid of any product where users must be prohibited from using it because of their pacemakers."

A diplomatic dentist in Denver admitted, "My wife doesn't want a microwave oven. She thinks they could cause a radiation problem, and I don't argue with her."

And finally, a Pittsburgh teacher and the mother of three left the door open, saying, "When we did over our kitchen four years ago, we decided against the microwave oven because of the safety problem. I'll admit I'm still not convinced it's perfectly safe, but they do offer many advantages and I'll keep on considering one."

Microwave cookware

As an indication of the very substantial accessory business potentials involved with microwave ovens, participants in this study were asked a series of questions about microwave cookware.

First of all, a startling 94% of respondents said they were familiar with this specialty product, a jump over last year's 51%.

Next, 57% noted they bought microwave cookware at the time of their oven purchase (but not included "free" as part of the oven sale), a 14% rise against last year's findings.

Then, 61% stated they purchased additional microwave cookware since buying their oven, compared with 48% in the 1978 report.

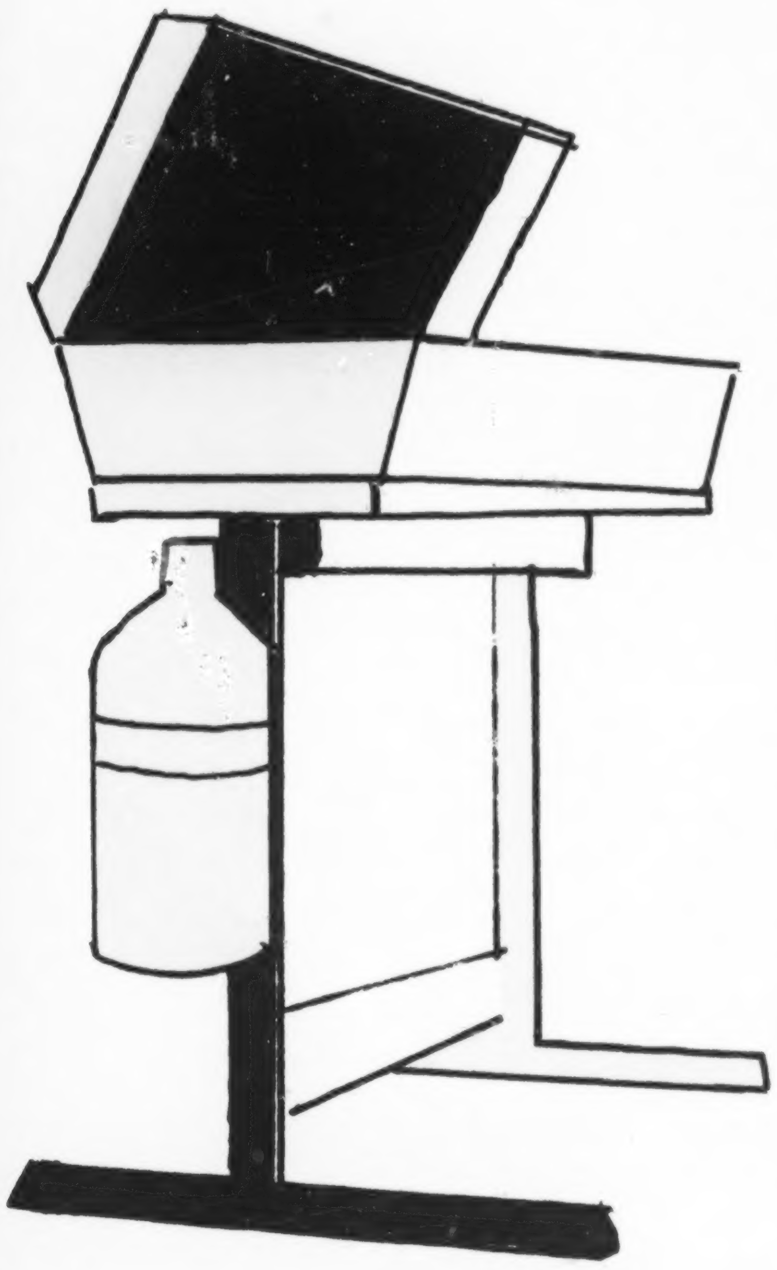
And finally, 38% of the microwave-owning respondents said they intend to buy more microwave oven cookware.

It should be pointed out, however, that this plus business is not automatically a tie-in sale with the microwave oven. Sixty-one percent of the people who bought additional microwave cookware subsequent to their oven purchase did so at stores other than the ones where they got their appliance. In fact, of those who are considering the purchase of more cookware pieces, 39% say it will be at a department store. The next closest number, 17% each, was chalked up by discount stores and gourmet specialty shops.

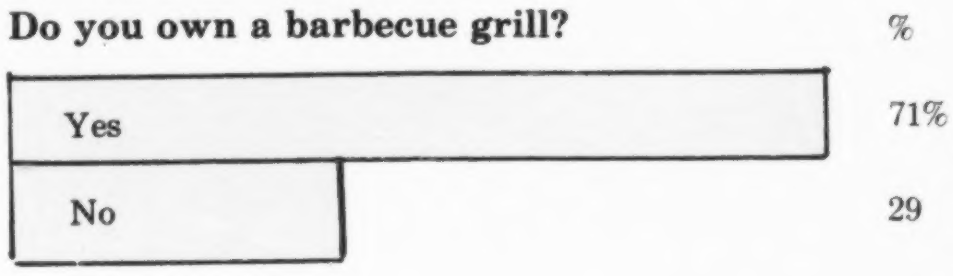
A professional man with family in St. Paul, when asked if he was considering the purchase of a microwave oven, replied: "No. I can wait (for the food to cook)." But whether discussing the microwave oven or ancillary cookware, it seems that more and more consumers will not. •

Housewares

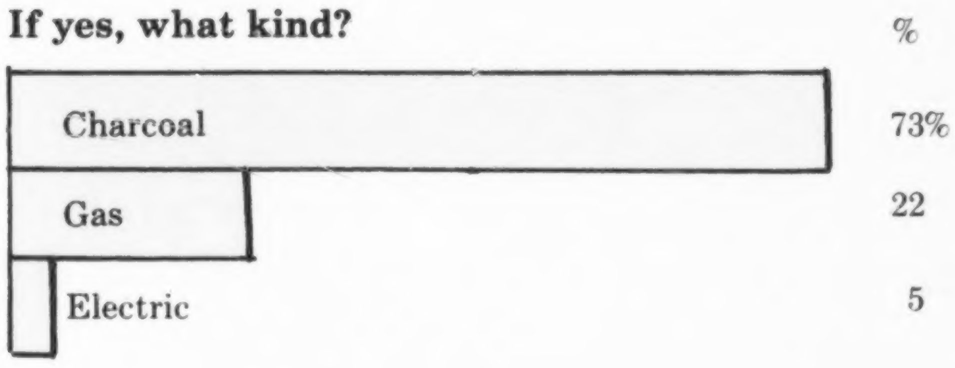
Barbecues



Do you own a barbecue grill?

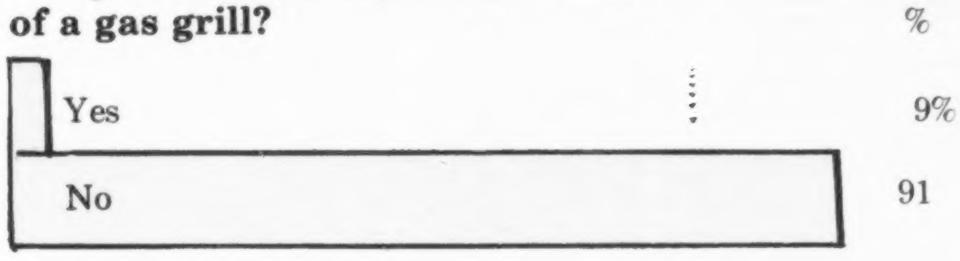


If yes, what kind?

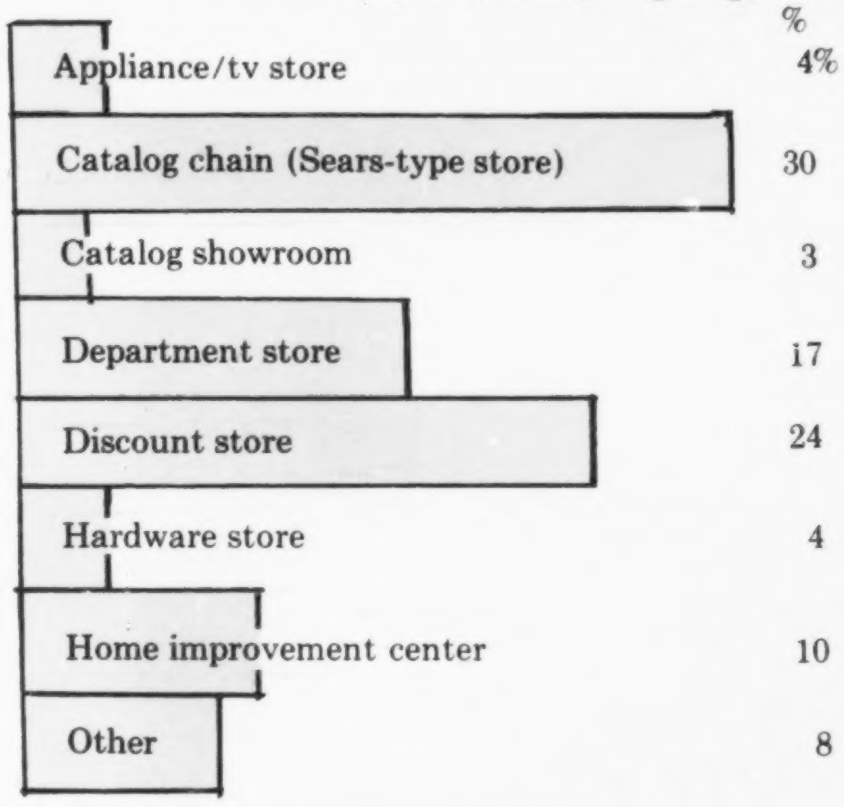


Gas Grill Non-Owners

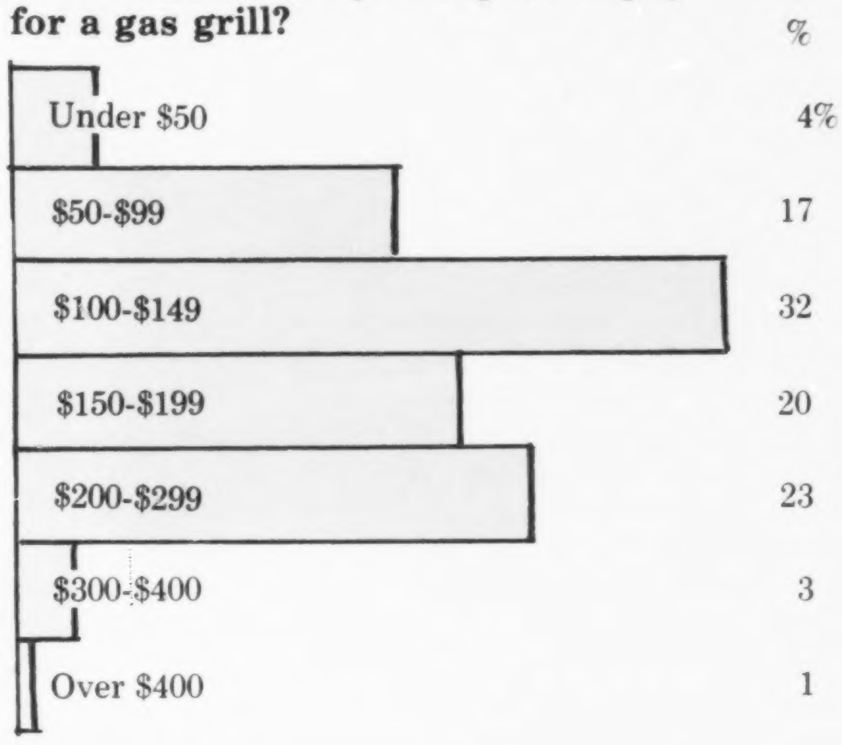
Are you considering the purchase of a gas grill?



If Yes:
Where would you expect to buy a gas grill?



How much would you expect to pay for a gas grill?



Whether the gas grill will ever dominate the barbecue market is yet to be seen. But if it is to, at least two areas of confusion in the minds of consumers will have to be cleared up: Only the use of charcoal briquets can impart that characteristic flavor to grilled meats, and gas grill means cumbersome and expensive hookups to natural gas lines.

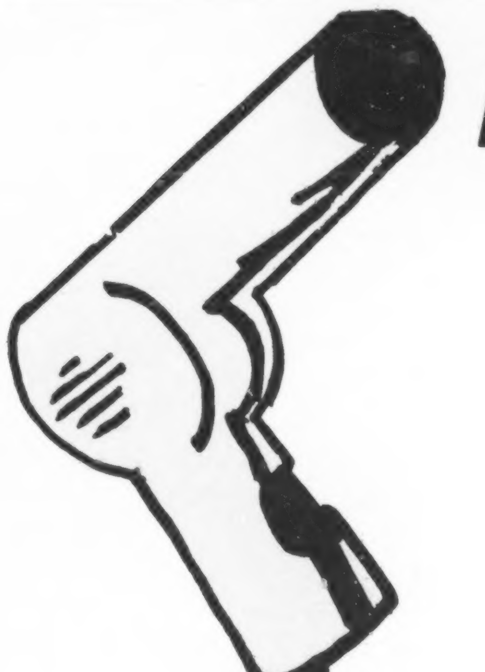
At least this seems to be the gist of the many reasons why consumers are not considering the purchase of gas grills in the near future, according to this survey.

But this has nothing to do with the popularity of barbecues in general. Of the more than 1,000 consumers interviewed for this report, 71% said they owned a grill and of these, 73% were charcoal units, 22% were gas and 5% electric.

Nine percent of the respondents noted that they plan to buy a gas grill and 75% reported that they expected to pay anywhere from $100 to $300 for such an appliance.

As for the type of outlet consumers would shop for their gas grills, catalog chains such as Sears and Penneys received 30% of the nods, followed by discount stores with 24%.

An indication of how much education is needed in this market is the rather unique comment of a woman college student in Houston who said, "I wouldn't buy a gas grill because it might contaminate the meat." ●



Hair Dryers

Although a certain number of baldheaded men said, "who needs it," and some women insisted, "I go to my hairdresser," the fact still remains: Hair dryers are a hot product.

According to *Merchandising's* Consumer Survey, a very healthy 78% of the respondents admitted to owning at least one hair dryer. In addition, whether already an owner or not, another 20% asserted they expect to buy one within the next six months.

For retailers, the replacement merchandising potentials of this unisex product are great. Underlining this are the following data: Of those who intend to purchase a hair dryer, 48% gave as their main reason their desire to replace an old one. Another 20% of these would-be buyers want a second (or even a third) unit.

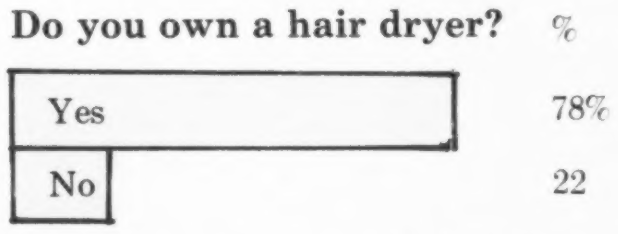
Other principal reasons for wanting to buy a hair dryer were: Want new features (13%), as a gift (10%), and don't own one now (9%).

Among those consumers who expect to buy a hair dryer, 30% gave the discount store as the type of outlet they would shop, and 28% said they would opt for a department store. Only 10% gave the drug store as their choice of outlet.

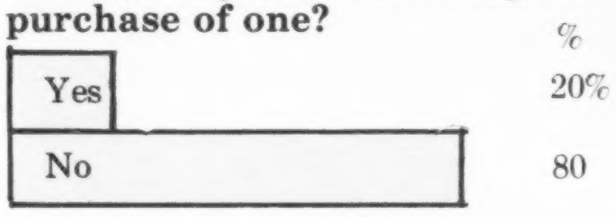
The study also found that the most popular price points consumers anticipated paying for a hair dryer were $15-$19.99 (35%) and $20-$24.99 (27%). A scant 2% of the respondents said they expect to pay under $10.

While a certain amount of negativism was expressed by some people ("who needs asbestos"), a married man in Brooklyn had this unusual opinion: "I don't want a hair dryer. They cause static cling." ●

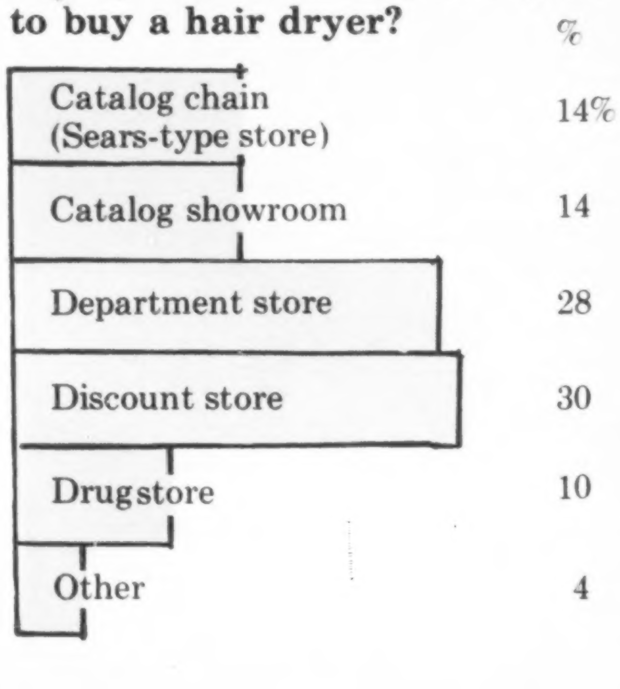
Do you own a hair dryer?



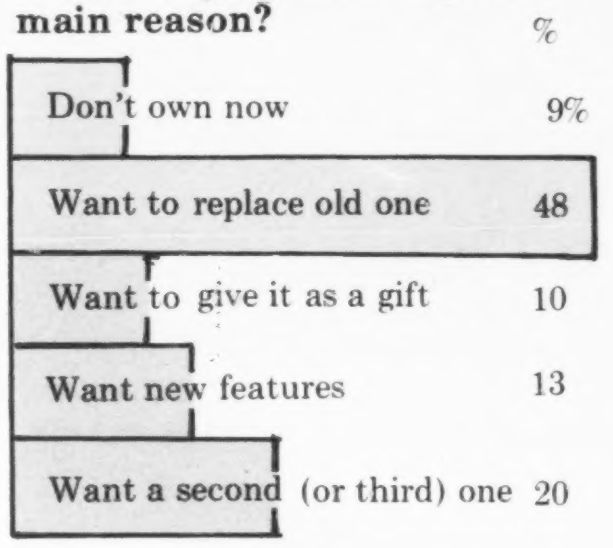
Whether you own a hair dryer or not, are you considering the purchase of one?



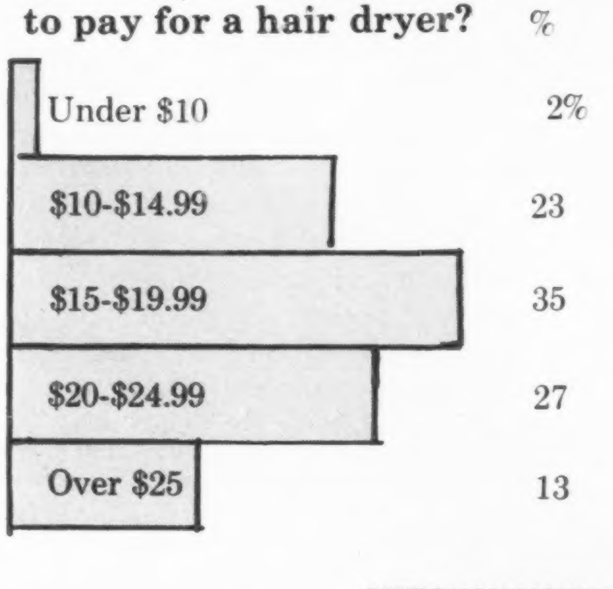
If yes, where would you expect to buy a hair dryer?

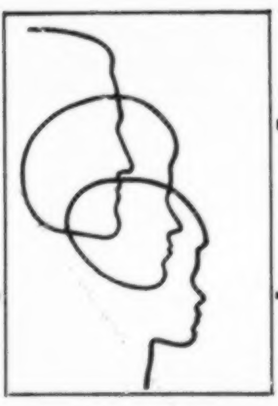


If you are considering buying a hair dryer, what is your main reason?



How much would you expect to pay for a hair dryer?





HOUSEWARES

• *Continued from page 34*

Home Security

Have you ever bought a smoke detector?	%
Yes	46%
No	54

If yes, how many?	%
1	42%
2	32
3	17
4 or more	9

Are you considering the purchase of a smoke detector?	%
Yes	28%
No	72

Do you own a fire extinguisher?	%
Yes	43%
No	57

If yes, how many?	%
1	62%
2	26
3	8
4 or more	4

Are you considering the purchase of a fire extinguisher?	%
Yes	20%
No	80

Do you own a burglar alarm (intrusion system)?	%
Yes	13%
No	87

If no, are you considering the purchase of a burglar alarm?	%
Yes	13%
No	87

Where are you learning most about home security devices?	%
Fire and/or police department presentations	15%
Newspaper and/or magazine articles	27
Manufacturer ads and/or commercials	30
Retailer ads and/or commercials	11
Friends and/or relatives	17

If you are considering the purchase of a home security device, where would you expect to buy it?	%
Appliance/tv store	4%
Catalog chain (Sears-type store)	16
Catalog showroom	5
Department store	11
Discount store	14
Electronics specialty store (such as Radio Shack, etc.)	19
Hardware store	13
Home improvement center	10
Other	8

Consumer attitudes towards home security devices—smoke detectors, fire extinguishers and intrusion systems or burglar alarms—are mixed. There seems to be more confusion and misinformation about this category of products than any of the others covered in this Consumer Survey. And the reasons given for not considering the purchase of one or more of them run the gamut.

A self-employed mother of two in Hartford declared, "I don't own a fire extinguisher; it's asking for trouble. If you own one you're sure to have a fire."

And a St. Paul professional man curtly noted, "I'm not paranoid."

On a more general note, a married part-time teacher in Los Angeles said, "These things cost a lot and tend to give you a false sense of security."

Other negative comments ranged from "I have nothing worth stealing" to "we're covered by insurance" to "I just rent my house, it's the landlord's responsibility."

Nevertheless, respondents to the survey indicated that 46% have bought smoke detectors (up from 38% last year) and 43% own one or more fire extinguishers. Furthermore, 28% plan to buy smoke detectors and 20% fire extinguishers.

Only on burglar alarms are the responses low: 13% of those participating in the survey have bought and another 13% plan to buy. And it is apparent that many consumers have confused the elaborate, professionally-installed security systems costing thousands of dollars with the newer intrusion devices on the market.

There are some consumers, of course, who approach the matter from a different direction, as for example the 35-year-old homeowner in Omaha: "I have a four-foot fence around my yard and 120 pounds of mean guard dog behind it. That's all the intrusion system I need."

Then, there's the self-employed father of three in the Boston area who said of smoke detectors: "Waste of money. I have one and it doesn't work."

But most poignant of all were the responses from literally hundreds of consumers who said of home security, "I just never thought of it." •

Food Processors

Some of the glamor surrounding food processors may be slipping away, according to results of *Merchandising's* latest consumer survey. Twenty-seven percent of the respondents reported they are considering the purchase of one within the next six months, but this represents a decline of eight points from last year's 35%.

For the 30% of the consumers surveyed in this study who own food processors, time saving was still the most important consideration. But a growing number (37%) stated the product made everyday handling of food preparation more efficient. And an extra value was described by a Dallas housewife and mother of two who said: "I went on a diet and had to eat a lot of raw vegetables. It makes diet cooking lots easier."

Also, as might have been expected in a period of unchecked inflation, price was considered a very important factor both to those who plan to buy and those who don't. Several respondents called the food processor an extravagance.

And among those who are considering the purchase, 61% noted they would pay no more than $100 for one, compared to 41% in the 1978 survey;

(Continued on page 38)

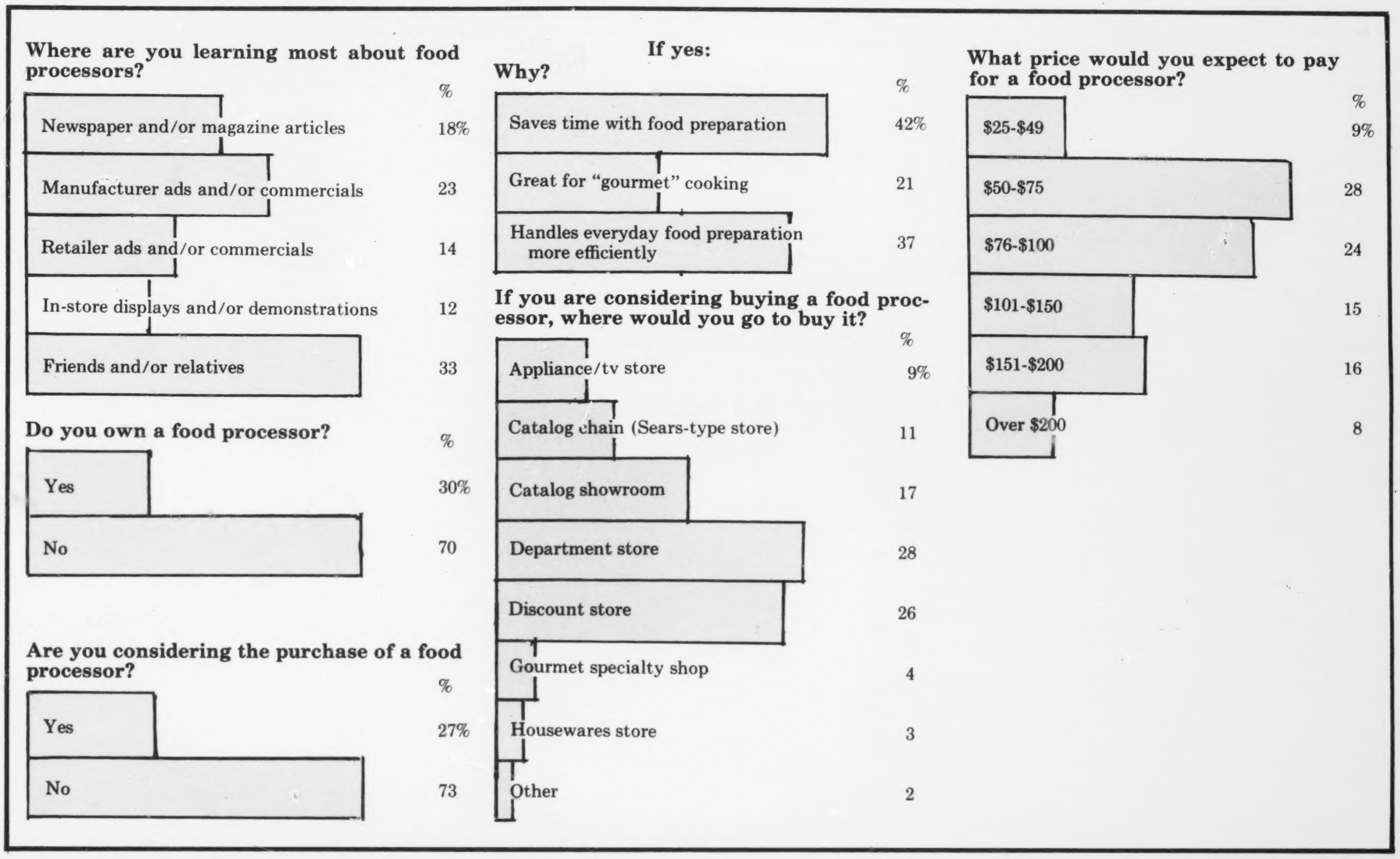
Food Processors

• *Continued from page 36*

28% opted for the $50-$75 range this year vs. 11% last year.

But perhaps of even greater significance than price to the negatively inclined consumer is the lack of any perceived functional value. As a Honolulu mother of three put it: "I watch my friends who have food processors, and also from what I've read in the magazines and ads, I don't understand why it's that much better than the simple things I already have in my kitchen."

And a sexist note was struck by a self-employed 46-year-old father of five in Council Bluffs, IA who flatly said, "Chopping vegetables with the old butcher knife keeps my wife out of trouble."



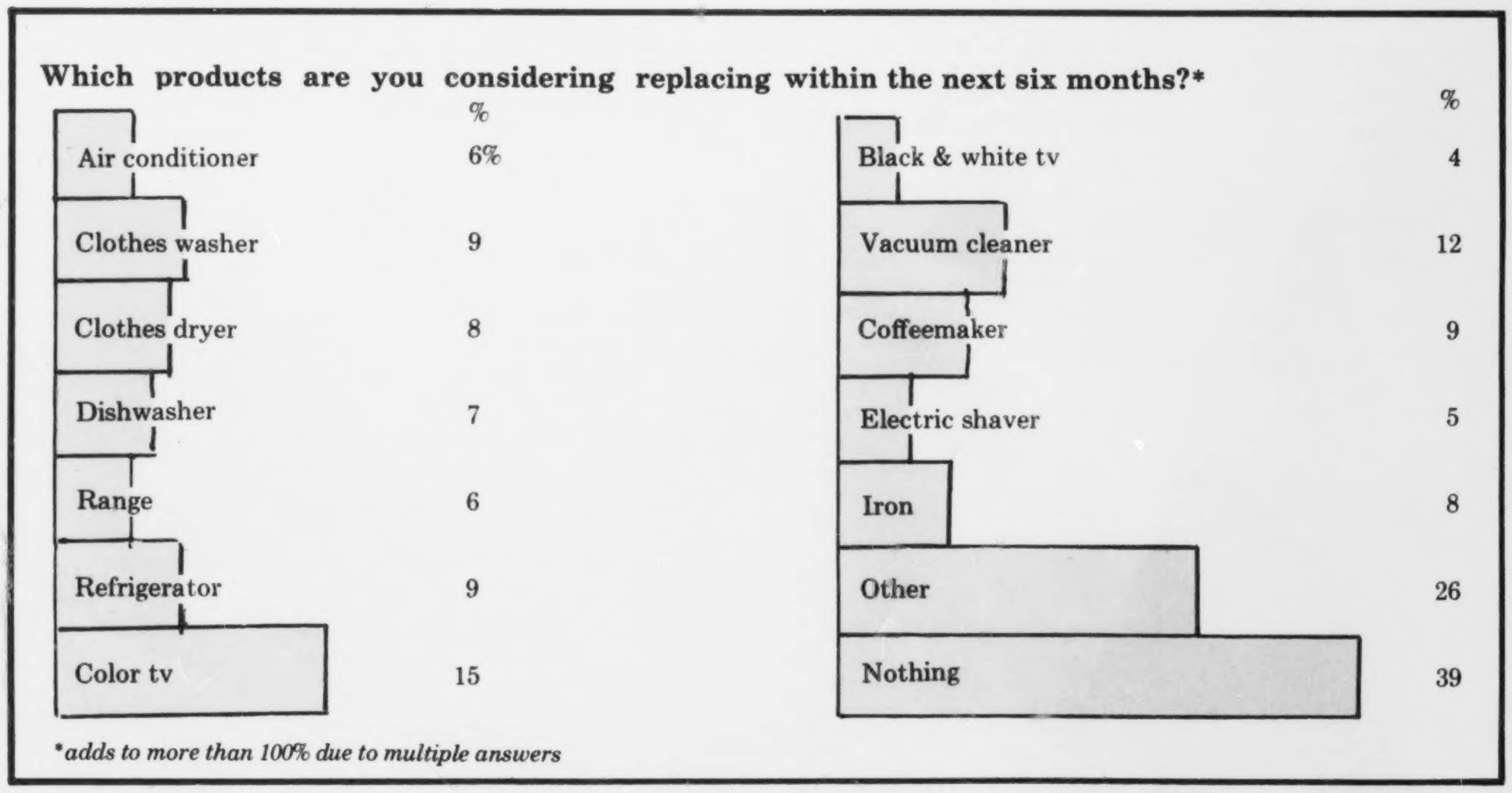
Replacement Plans

Despite repeated complaints by consumers interviewed that the rigors of inflation were seriously inhibiting their ability to purchase otherwise desired and desirable products, a whopping 61% of the respondents to *Merchandising's* seventh Consumer Survey stated their intentions to replace at least one product from a list of 12 within the next six months.

Although many consumers said they would replace products only as a matter of necessity, rather than because newer, improved products were available, the largest single group—15% of those answering interviewers' questions—apparently perceived their color television set as being a household necessity. Also, several of those responding tagged more than one appliance for early replacement.

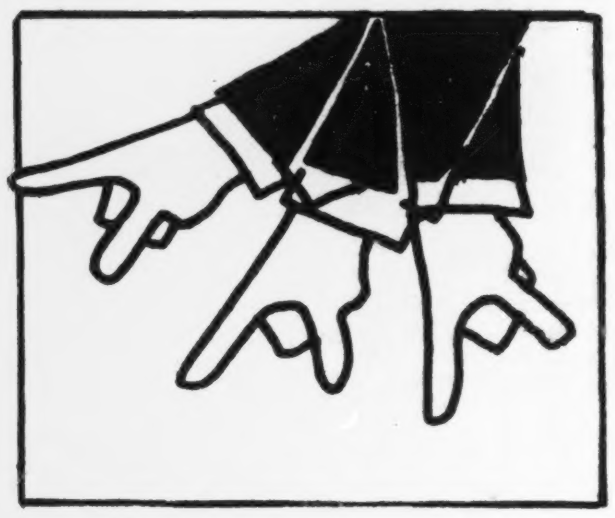
Vacuum cleaners chalked up the next largest vote with 12%, while clothes washers and refrigerators tied for third, drawing 9% each.

All in all, ample evidence that these appliances are important to today's consumer, which should be good news to replacement-oriented retailers.



**adds to more than 100% due to multiple answers*

Brand Identification



When you think of each of the products listed below, what brand name comes to mind first?

Brand name, brand identification, brand loyalty are at the very core of the intense competition among manufacturers of consumer products. And millions of dollars are spent annually in all communications media by suppliers to catch the consumer's eye and discretionary dollar.

Yet, when 1,020 consumers around the country were asked "when you think of each of the following products, what brand name comes to mind first," the profusion of names—some real and some fictional—made the list almost impossible to tabulate.

Nevertheless, there were few surprises among the leading labels, and the names on top of comparable lists closely paralleled results of last October's survey.

Although no effort was made to correlate brand recognition with intention to purchase the product, some of the "don't know" or wrong-name responses suggest that some manufacturers still have education or communications hurdles to overcome.

Not atypical is the case of a New Orleans housewife, college graduate, mother of three and in her mid-thirties. She owns a cassette car stereo system, a food processor, a microwave oven and a hair dryer. She plans to upgrade her home sound system, replace her color tv and clothes dryer, and is considering the purchase of a VCR unit.

Yet, she could identify no brand name in VCR, hifi, car stereo, microwave oven or hair dryer. In fact, of the entire list of 14 products, she could recall only color tv, refrigerator, range, food processor and coffeemaker labels.

But less-than-ideal results in a quiz of this kind apparently doesn't prevent the consumer from buying. As a retired widower in Phoenix said: "Brand names are familiar to me, but I must admit that I find best results with a handful of good, reliable stores. And it's easier." •

*** This figure represents that percentage of the 1,020 consumers interviewed who could not name a brand at all or who gave an incorrect name. All other figures in these charts represent the breakdown of brand names from those consumers who could respond to these questions.**

ELECTRONICS

Color TV

	%
Zenith	28%
RCA	25
Sony	12
Magnavox	8
Panasonic	4
GE	4
Quasar	4
Sylvania	3
Admiral	2
Motorola	2
Sears/Silvertone	2
Other	6
None*	5%

Videotape Recorders

	%
Sony/Betamax	58%
RCA	15
Panasonic	8
Magnavox	5
Zenith	4
GE	4
JVC	2
Sears	1
Sanyo	1
Hitachi	1
Other	1
None*	55%

Component Hifi

	%
Pioneer	19%
Panasonic/Technics	18
Sony	15
Fisher	9
Marantz	7
Garrard	5
Realistic/Radio Shack	4
Kenwood	3
Sansui	3
Sanyo	2
Other	15
None*	43

Car Stereo

	%
Pioneer	23%
Panasonic	13
Craig	11
Motorola	10
Sony	6
Philco	5
Radio Shack/Realistic	4
Sanyo	4
Audiovox	3
Delco	3
Jensen	3
Other	15
None*	61

MAJOR APPLIANCES

Air Conditioners

	%
GE	34%
Carrier	16
Fedders	12
Sears/Kenmore/Coldspot	7
Westinghouse	7
Frigidaire	5
Whirlpool	4
Airtemp/Chrysler	3
Emerson	2
Lenox	2
Other	8
None*	29

(Continued on page 44)

BRAND IDENTIFICATION

• *Continued from page 40*

MAJOR APPLIANCES *cont.*

Refrigerators

Refrigerators	%
GE	26%
Frigidaire	21
Sears/Kenmore/Coldspot	12
Westinghouse	9
Hotpoint	7
Amana	7
Whirlpool	6
Kelvinator	4
Admiral	3
Gibson	2
Other	3
None*	8

Ranges

Ranges	%
GE	29%
Hotpoint	13
Tappan	12
Sears/Kenmore	9
Frigidaire	6
Magic Chef	5
Westinghouse	4
Caloric	3
Amana	3
Roper	3
Whirlpool	2
Jenn-Aire	2
Other	9
None*	19

Microwave Ovens

Microwave Ovens	%
Amana	30%
Litton	24
GE	16
Sears/Kenmore	6
Tappan	5
Panasonic	4
Sharp	4
Magic Chef	2
Quasar	2
Other	7
None*	39

Dishwashers

Dishwashers	%
GE	25%
KitchenAid	24
Sears/Kenmore	17
Whirlpool	12
Maytag	6
Hotpoint	6
Frigidaire	3
Westinghouse	2
Speed Queen	1
Wards	1
Other	3
None*	30

Clothes Washers and Dryers

Clothes Washers and Dryers	%
Sears/Kenmore	27%
Maytag	25
GE	16
Whirlpool	14
Frigidaire	5
Westinghouse	4
Speed Queen	3
Hotpoint	3
Wards	1
Norge	1
Other	1
None*	13

HOUSEWARES

Food Processors

Food Processors	%
Cuisinart	32%
Moulinex/LaMachine	22
GE	21
Hamilton Beach	5
Oster	5
Waring	4
Sunbeam	4
Sears	2
Norelco	2
Farberware	1
Other	2
None*	41

*** This figure represents that percentage of the 1,020 consumers interviewed who could not name a brand at all or who gave an incorrect name. All other figures in these charts represent the breakdown of brand names from those consumers who could respond to these questions.**

Hair Dryers

Hair Dryers	%
GE	26%
Clairol	16
Gillette/Max	16
Conair	13
Sunbeam	9
Norelco	6
Schick	6
Sears/Kenmore	3
Boss	1
Remington	1
Other	3
None*	39

Coffeemakers

Coffeemakers	%
Mr. Coffee	65%
Norelco	11
GE	8
Proctor-Silex	4
Sunbeam	3
Melitta	2
Cory	1
West Bend	1
Farberware	1
Other	4
None*	22

Gas Grills

Gas Grills	%
Sears/Kenmore	29%
Charmglow	29
Weber	12
Arkla	7
Falcon	6
Jacuzzi	4
Char Broil	3
Wards	2
Coleman	2
Other	6
None*	81

**Could not cite either any brand name or a correct brand name.*

Information

Consumer confidence in retail salespeople is clearly ebbing.

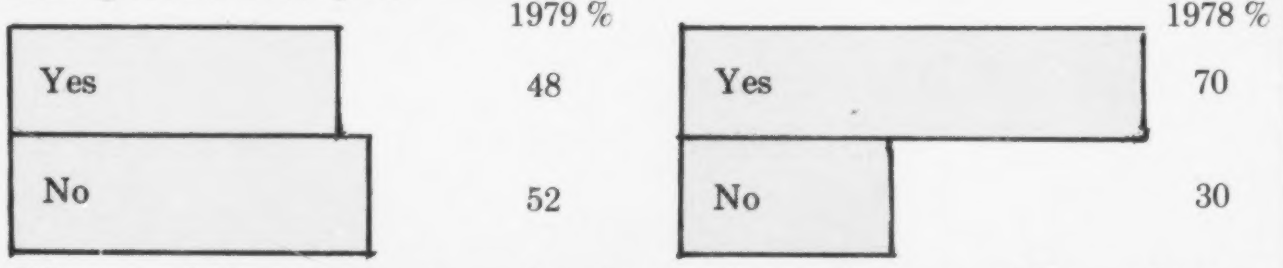
Whether it's because salespeople are frequently seen as poorly informed ("More salespeople should be taught to say 'I don't know'," said a San Francisco airline pilot) or because of blatant cynicism ("No, I don't trust them because I've been a salesman," noted a young Reno family man), the survey shows only 48% of the respondents usually believe what salespeople tell them. This compares unfavorably with the 58% posted in 1978.

Nor are people that much more willing to accept a salesperson's recommendations of brands or models other than the one originally sought. As a young married woman in Pittsburgh put it: "These people are out to sell what they have."

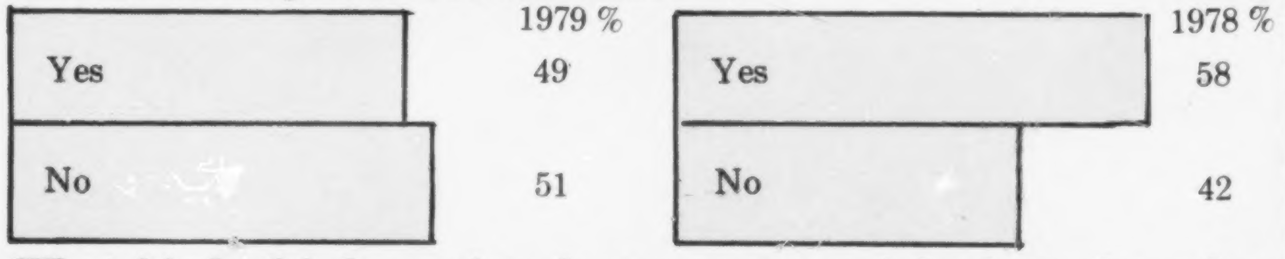
As for warranties, there was little change in consumer attitudes from 1978. A substantial majority still felt the warranty was important in helping make a product purchase decision and a bare majority said they would pay a higher price for the product with the longer warranty.

This touch of ambivalence was best expressed by a middle-aged mother of three in New Orleans when she said: "I don't think warranties are real important in guaranteeing quality, but I wouldn't buy an appliance without one." •

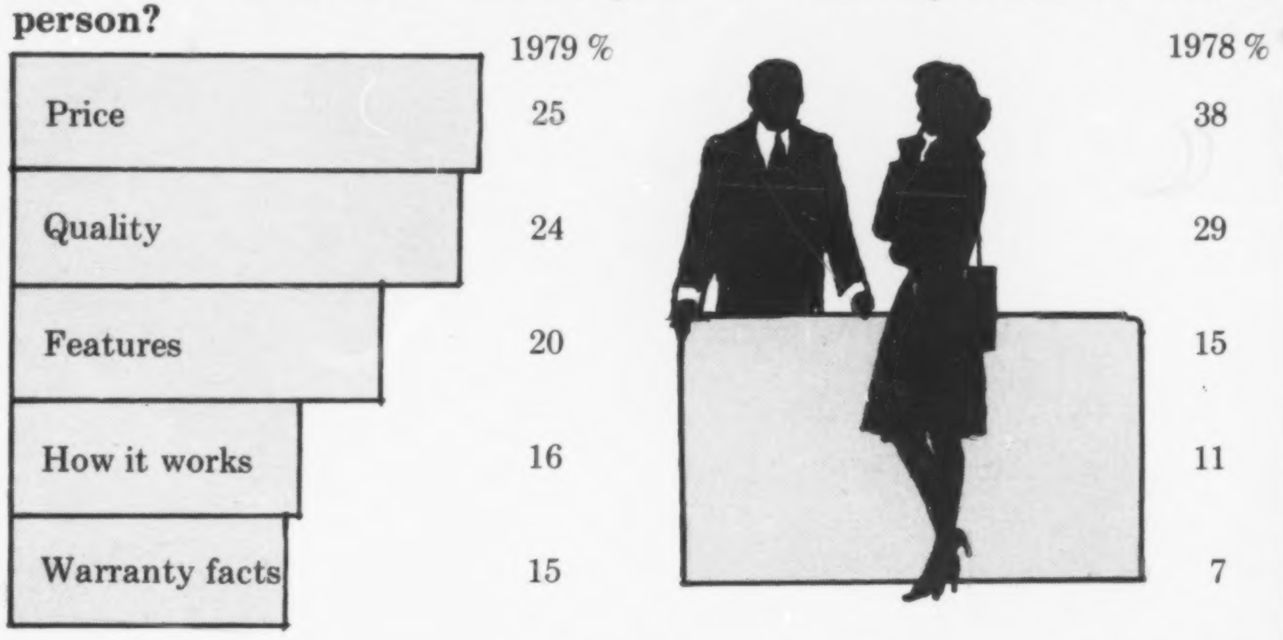
When you go into a store to shop, do you usually believe what the salesperson tells you?



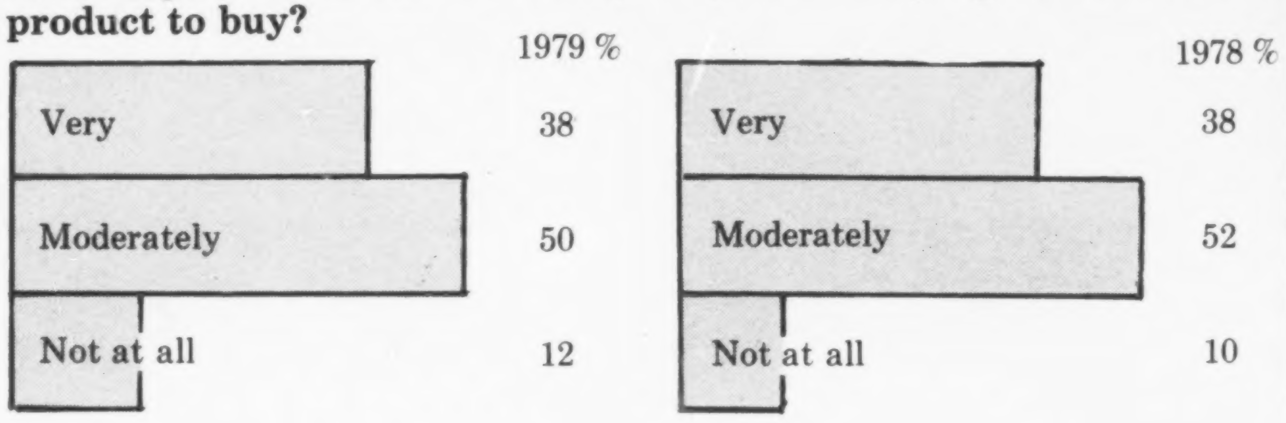
Of any of the products we've been discussing, would you buy a brand or model different than the one you were originally looking for if the salesperson recommended it?



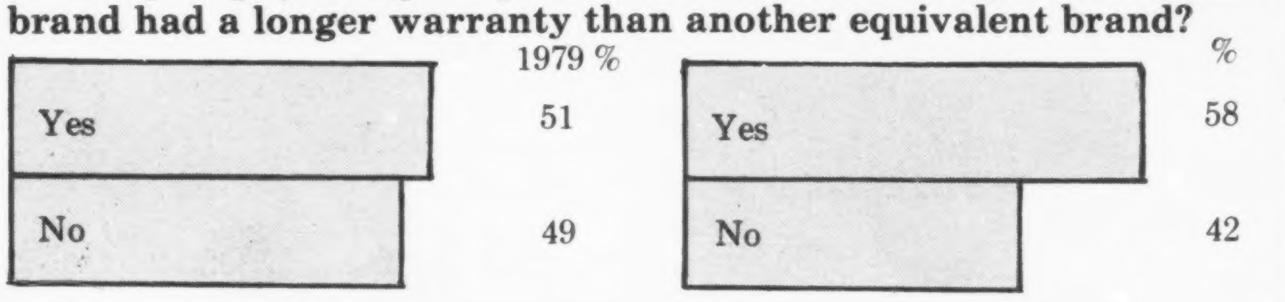
What kind of information do you want mainly from the salesperson?

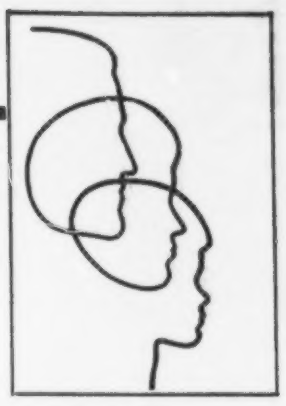


How important is the warranty to you in helping decide which product to buy?



Would you pay a higher price for one brand of a product if that brand had a longer warranty than another equivalent brand?





Energy Efficiency

Awareness of the importance of energy efficiency is growing among consumers interviewed in the current Consumer Survey. Fifty-two percent of the respondents listed the issue as very important, compared to 46% in last year's study. And awareness that manufacturers now make appliances that are more energy efficient also increased (from 77% in 1978 to 81% this year).

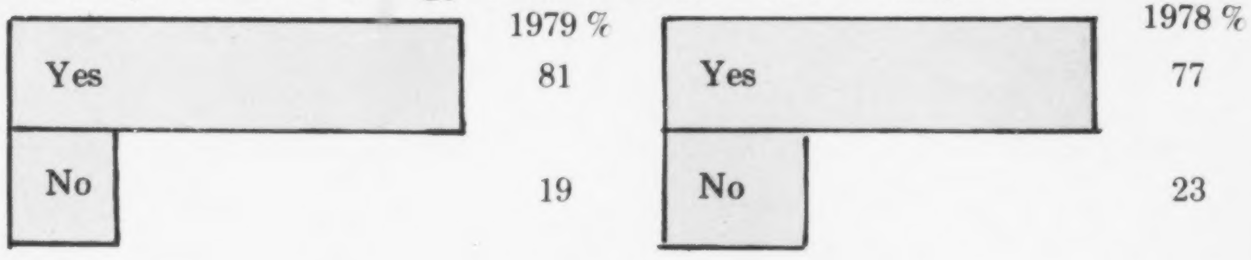
Nevertheless, an indication of the growing cynicism among substantial numbers of consumers was the sentiment voiced by a Denver construction worker who said, "I feel this energy business is a ripoff!" And several of those interviewed seemed to feel that the country's energy problems were mainly a matter of gasoline.

However, when discussing energy-efficient appliances specifically, a majority of respondents noted they would be willing to pay higher prices, as well as give up other wanted features for them.

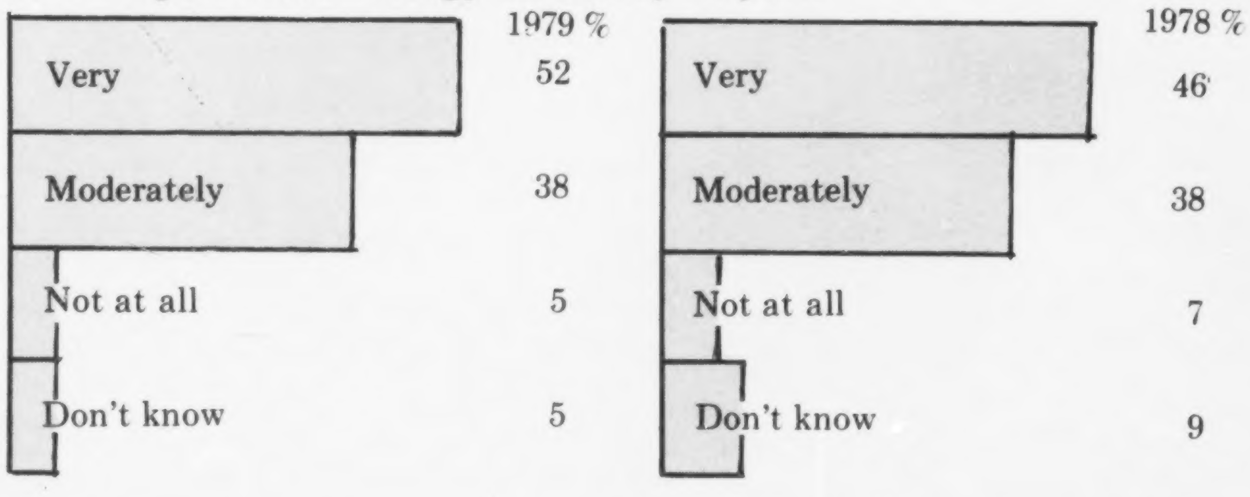
A Pittsburgh teacher and mother of three declared of energy-efficient appliances: "It isn't just that they cost less to operate, I feel they generally are better made, do a better job."

And a Minneapolis business manager echoed, "It makes sense several ways, including cost of operation." •

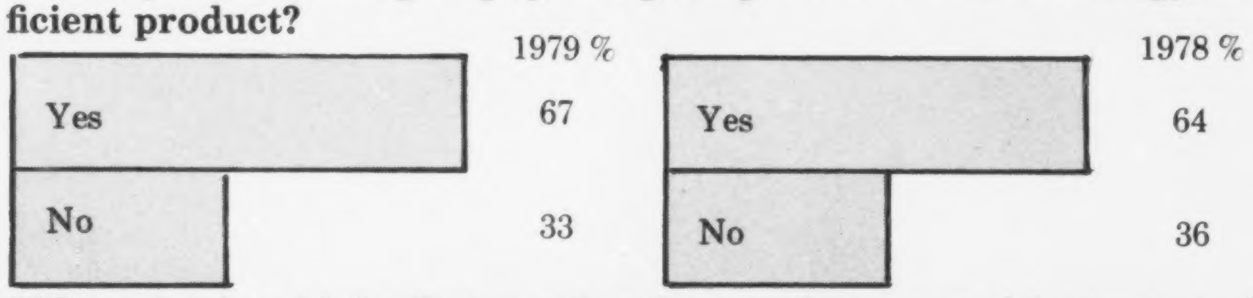
Do you know that manufacturers of many household appliances are now making models that use less energy (electricity or gas), that is, are more energy-efficient than other models?



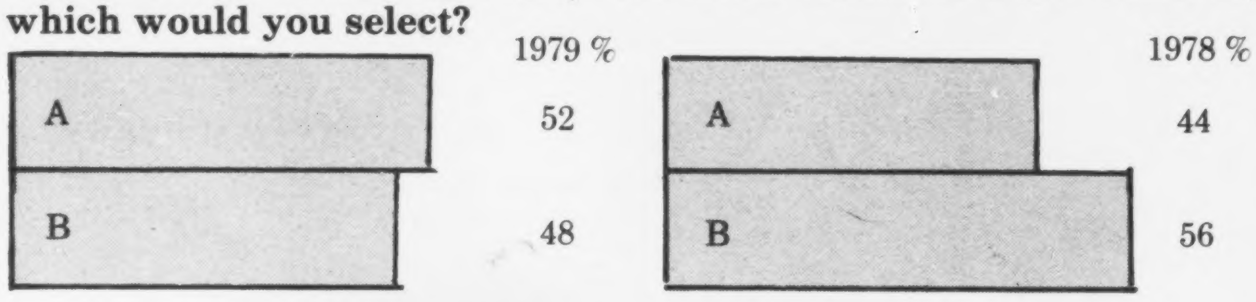
How important is energy efficiency to you?



Would you be willing to pay a higher price for a more energy-efficient product?



If Brand A has high efficiency but fewer other wanted features and Brand B has lower efficiency but more other wanted features, which would you select?



Shopping Patterns

HIFI

How many stores did you shop before making your hifi purchase?

	%
1	34%
2	17
3	19
4 or more	30

If you shopped more than one store, were the other stores all of the same type or were they different types? (e.g., audio store, dept. store, discount store, appliance/tv store, etc.)

	%
Same	32%
Different	68

What made you decide on the store where you made your purchase?

	%
Lowest price	38%
Widest selection to choose from	9
Convenient location	4
Store reputation	15
Credit policies	3
Carried the brand you wanted	16
Store specialized in hifi	15

VIDEOTAPE RECORDER

How many stores did you shop before making your purchase?

	%
1	28%
2	25
3	19
4 or more	28

If you shopped more than one store, were the other stores all of the same type or were they different types? (e.g., video store, dept. store, discount store, appliance/tv store, etc.)

	%
Same	33%
Different	67

What made you decide on the store where you made your purchase?

	%
Lowest price	25%
Widest selection to choose from	18
Convenient location	1
Store reputation	15
Credit policies	5
Carried the brand you wanted	22
Store specialized in VTR	14

FOOD PROCESSOR

How many stores did you shop before making your purchase?

	%
1	60%
2	21
3	11
4 or more	8

If you shopped more than one store, were the other stores all of the same type or were they different types? (e.g., gourmet specialty store, dept. store, discount store, appliance/tv store, etc.)

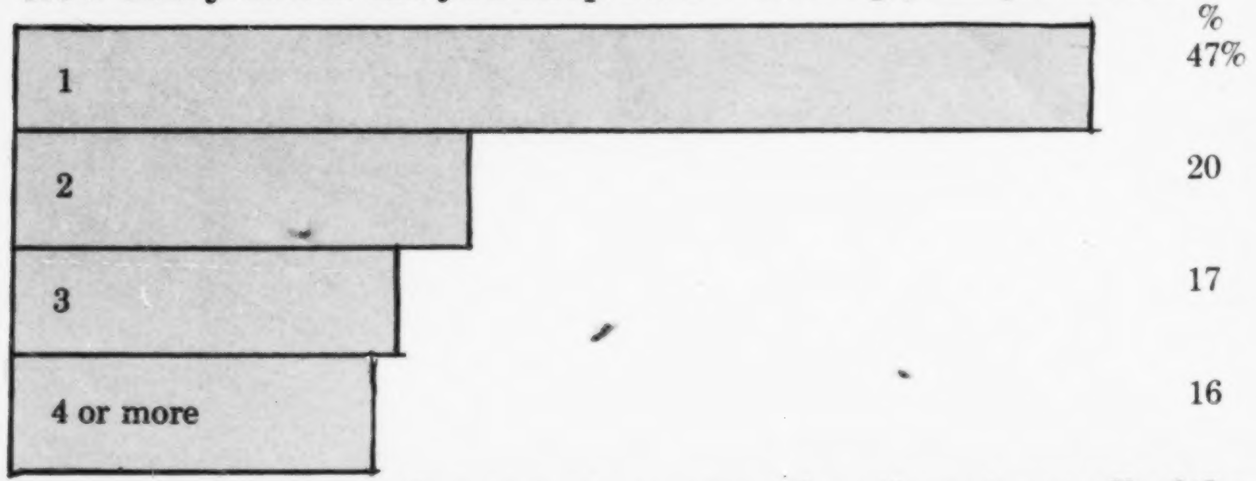
	%
Same	32%
Different	68

What made you decide on the store where you made your purchase?

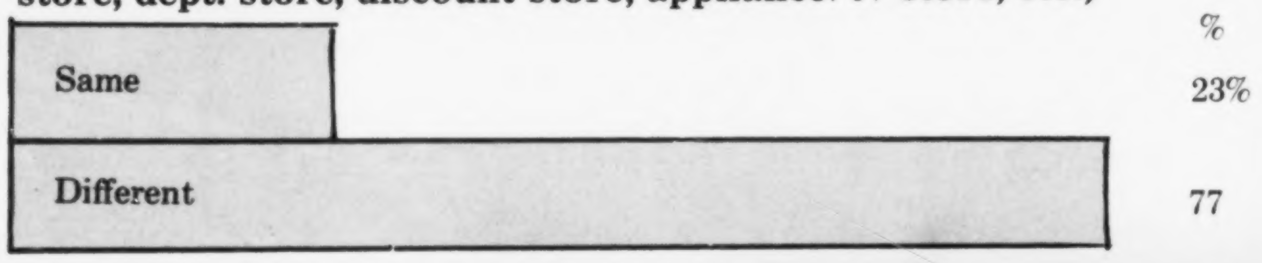
	%
Lowest price	33%
Widest selection to choose from	11
Convenient location	11
Store reputation	11
Credit policies	4
Carried the brand you wanted	26
Store specialized in food processors	4

MICROWAVE OVENS

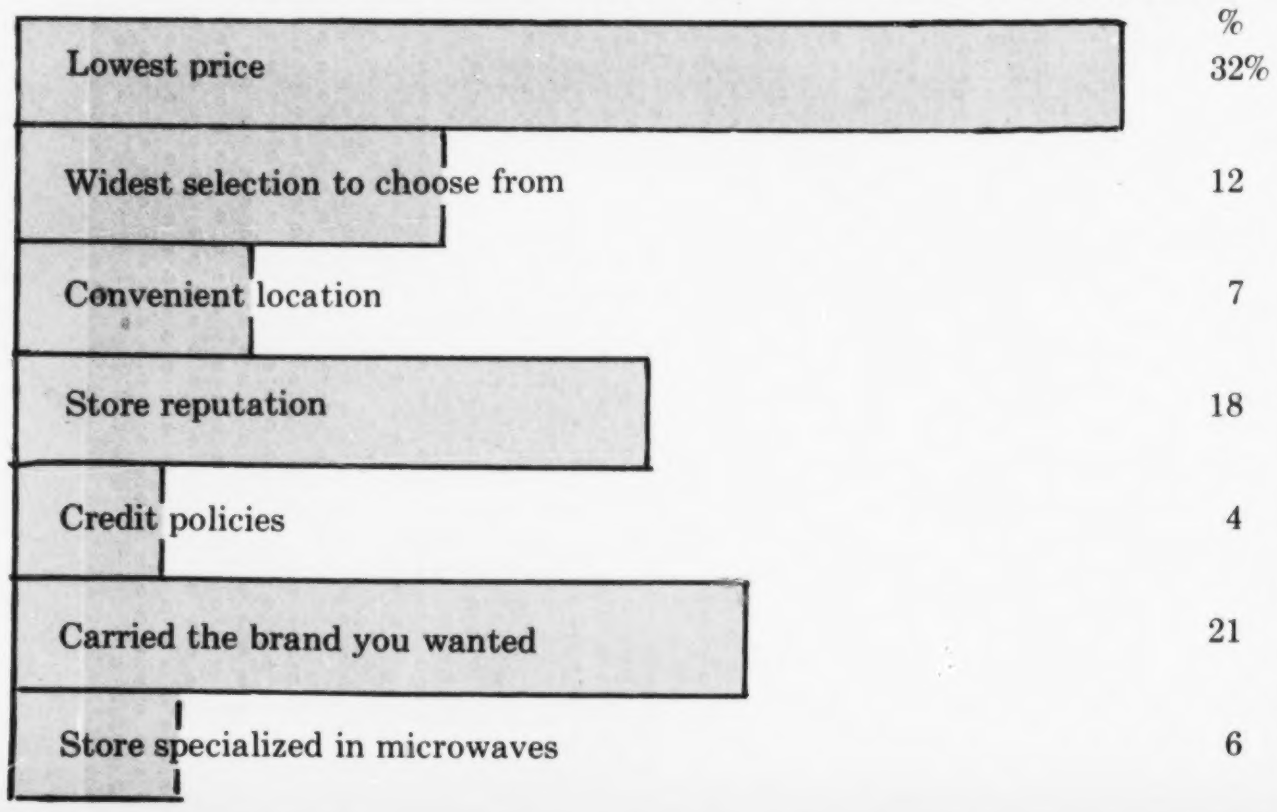
How many stores did you shop before making your purchase?



If you shopped more than one store, were the other stores all of the same type or were they different types? (e.g., gourmet specialty store, dept. store, discount store, appliance/tv store, etc.)



What made you decide on the store where you made your purchase?



Shopping Patterns

In this year's Consumer Survey, *Merchandising*, for the first time, asked a series of questions in an effort to determine where people shopped and why for their purchases of hifi systems, videotape recorders, food processors and microwave ovens. And the responses were strikingly similar in three of the four product categories:

A majority of respondents shopped two or more stores in three cases—66% for hifi, 72% for VCR and 53% for microwave ovens. Only for food processors did a majority—60%—make their purchase in the single store shopped.

Nevertheless, whether one store or four-or-more stores were shopped, the deciding factor on where the purchase was to be made was price, even though lowest price was less important, comparatively speaking, in the VCR purchase.

The next most important element in determining where the purchase was made was the fact that the store ultimately making the sale carried the specific brand the consumer wanted. This strongly suggests that the consumer, in many instances, was looking for a predetermined brand almost as much as the best price.

Of even greater significance, perhaps, is the finding that in more than two-thirds of the cases, regardless of the product to be purchased, consumers chose to visit different types of stores in their efforts to find satisfaction, rather than just one type.

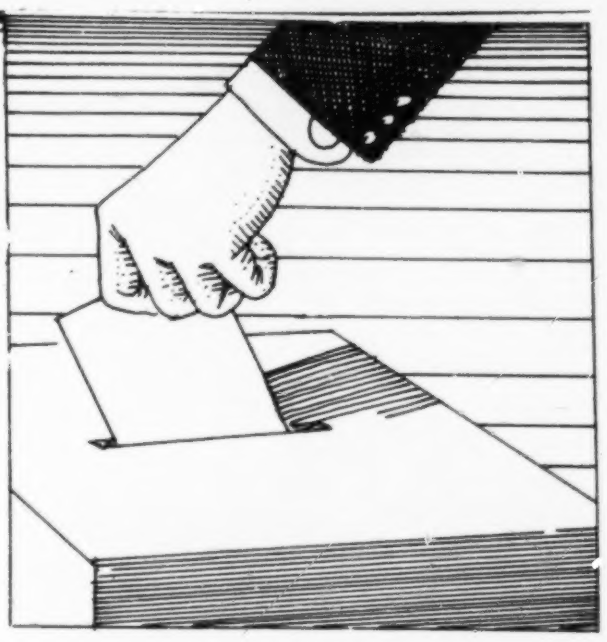
As a Denver real estate broker put it: "I went to several stores because I wanted the opinions of several different salespeople."

Specialization was ranked higher by the purchasers of electronics products than the purchasers of food processors and microwave ovens. Fifteen percent of hifi purchases and 14% of the VCR purchases were made at specialty stores, while only 4% and 6% of the respondents opted for food processor and microwave oven specialists, respectively.

A self-employed mother of four in Detroit noted: "I bought my system in a hifi specialty store after shopping several others because they had better product information."

However, that there is more than a single reason to pick one store over another is attested to by a New Orleans housewife who said: "I bought my microwave oven in the store with the widest selection of brands and prices to choose from."

Retail Opinion File



Product quality demands soar

Stores facing tougher-than-ever consumers

Consumers have always been price conscious. But a survey of retailers taken last month by *Merchandising* indicated just how price conscious they can be and gives a pretty good—or bad—picture of some of the problems retailers are facing today.

Are retail customers more price conscious today than they were just a year ago?

An astounding 76% of the respondents to our national Retail Opinion File poll answered in the affirmative with only 6% stating that their customers are actually less price conscious today than at this time last year.

The Opinion File survey, made in conjunction with this magazine's 7th Annual Consumer Survey, also published in this issue, was conducted in an effort to determine how retailers view their customers today. Is the consumer changing? Faced with today's problems, do retailers find their customers more demanding and even more critical in their purchase decisions than they were only 12 months ago?

Tougher to sell

The overall picture we get from retailers around the country, representing a broad cross-section of store types, is that the job of selling today's consumer is as tough as it has ever been. Maybe tougher—for the sales person out there on the selling floor, and the store operator.

Among the things we learned from the survey is that consumers are doing a lot less impulse buying and a lot more comparison shopping than they used to. They are at least a little more brand conscious than they've been in the recent past, and they aren't nearly as bashful as they used to be—they are quicker to complain about products, services—just about anything—than they were a year ago.

And they want protection. Sixty percent of the survey's respondents indicated that warranties are more important to today's consumer than in the past.

Most interesting, perhaps, was the response to our question about complaints. Here, the majority of respondents (actually 52%) said that *most* of their complaints from customers dealt with product quality, well ahead of complaints about price (37%) and service (16%).

"Essay" questions

These statistics held up all too well in an "essay" question in our Opinion File questionnaire when we asked retailers what they considered their biggest problem in dealing with consumers today.

Product quality drew the biggest response to that question. "Striking a balance between product quality and the price they paid for a popular priced item" was what one department store operator wrote. Another said: "Convincing them (the consumer) of quality."

An appliance/tv dealer wrote: "Explaining why new equipment breaks down so soon," was his biggest problem in dealing with consumers.

"Product quality is decreasing and it is more difficult to satisfy customers," another appliance/tv store owner jotted down on his questionnaire. He added: "We have to touch-up more products as they come from the manufacturer. We are now writing many warranty claims. I think it would be less costly for manufacturers to have better inspections, plus the one word that has no monetary value—PRIDE."

The service load

"The consumer," wrote another retailer, who identified himself as a discounter," wants what he is paying for, namely, dependability."

Service ranked third among dealers' most common complaints, but several of them elaborated on this point. One said "attempting to cope with the service load" was his biggest problem.

Another: "We are fortunate in having good service people who have been with us quite awhile, but people are much more demanding, I think, because of the higher cost of new merchandise. They expect more."

As always, price ranked high as a problem in retailer/customer relationships. "The low man gets the sale," one retailer wrote on his questionnaire.

"Meeting the price they're willing to pay," another appliance/tv dealer stated.

Still another dealer wrote: "When I buy groceries, I pay the full price when my customers expect to negotiate the price of a tv."

"Finding what they want for the money they want to spend," an electronics specialty store operator wrote.

Retailers also complained that consumers seemed to be more concerned than ever about being "ripped off" by the store and about what one dealer called "over-consumerism."

Other retailers complained about getting too many bad checks, customer resentment toward imported goods and about shoplifting.

Comparison shopping was also mentioned by some survey respondents. "You may be cheaper on 10 items than the guy down the block, but if you're higher on the eleventh item, they'll tell you about it," a discounter complained.

The bottom line, as far as one retailer was concerned, was today's consumers' "overall nasty attitude. The consumer wants womb to tomb service," he wrote, "and no matter what it is, the retailer is at fault." ●

QUESTIONNAIRE

	MORE	LESS	SAME
Are your customers more price conscious or less price conscious today than a year ago?	76%	6%	18%
Are your customers doing more impulse buying or less impulse buying than a year ago?	9	69	22
Are your customers doing more comparison shopping or less comparison shopping than they did a year ago?	74	5	21
Is it more difficult or less difficult to trade up your customers than it was a year ago?	40	16	44
Are your customers more brand conscious or less brand conscious today than they were a year ago?	45	21	34
Are your customers quicker to complain today about products, service, etc., than they were a year ago?	61	2	37
Are warranties more important or less important to your customers today then they were a year ago?	60	3	37

Assuming you get complaints from time to time, what do your customers complain about most?*

Price	37%
Service	16
Product quality	52
Warranties	8
Other	3

**Total more than 100% due to multiple responses.*

Videocassette Report

Inovision subsidiary of EDS in push for home videocassette/disc market

DALLAS, TX—Electronic Data Systems, through its new wholly owned Inovision subsidiary, has begun an aggressive campaign to capture the videocassette/disc and home computer markets.

Inovision offers the following services:

- The Inovision Club, established to serve these markets through a news journal; a catalog with discounts on electronic merchandise; a videocassette rental program; a classified exchange where members may advertise products for sale or exchange and an annual product guide.
- A direct mail catalog featuring home video, home computer and other consumer electronics products.
- Inovision-produced or acquired videocassette/disc programs distributed through a network of retail stores.
- A client corporate service division providing video duplication, corporate training tapes and point-of-purchase sales programs which incorporate video technology.
- Transferring home consumers' personal movies and slides to videocassettes.

Lloyd Haldeman has been named president of Inovision. He was most recently president and managing director of the Dallas Symphony Orchestra.

VidAmerica acquires UA's 'Coming Home'

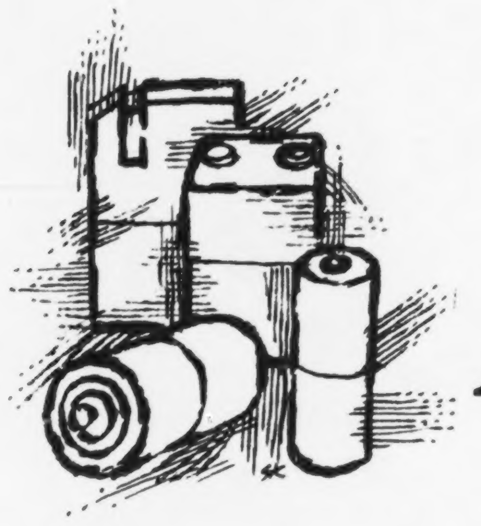
NEW YORK—VidAmerica, the videocassette rental club, and a subsidiary of the Video Corp. of America, has acquired United Artists' 1978 Academy Award winning film, "Coming Home."

It's available for seven-day rental at $13.95.

Merchandising's TOP 50

		Last month's position	Months on chart
1.	The Sound of Music	2	7
2.	Patton	3	12
3	M*A*S*H	1	12
4.	Hello Dolly	20	12
5.	The Graduate	10	9
6.	Wild Geese	4	8
7.	French Connection	7	12
8.	The King & I	15	12
9.	Papillon	6	10
10.	African Queen	5	3
11.	The Man Who Would Be King	21	11
12.	Tora! Tora! Tora!	9	12
13.	Carnal Knowledge	12	9
14.	Bruce Lee—Super Dragon	17	10
15.	The Longest Day	18	12
16.	The Lion In Winter	19	7
17.	The Sailor Who Fell From Grace With The Sea	13	7
18.	The Betsy	14	10
19.	A Touch Of Class	11	3
20.	A Man & A Woman	39	7
21.	Elvis Presley In Concert	30	3
22.	Sand Pebbles	42	9
23.	Tunnel Vision	8	4
24.	Paper Chase	N	10
25.	Von Ryan's Express	26	12
26.	Desert Fox	N	3
27.	Saturday Night Fever	44	3
28.	Citizen Kane	22	10
29.	Voyage To The Bottom Of The Sea	38	6
30.	The Godfather	45	3
31.	The Beatles At Shea Stadium	25	7
32.	Mighty Mouse	29	9
33.	The Day The Earth Stood Still	35	6
34.	History of the Beatles	24	5
35.	Doctor Dolittle	40	11
36.	The Hustler	37	7
37.	Fantastic Voyage	41	12
38.	Night Of The Living Dead	16	4
39.	Gunga-Din	36	4
40.	Day Of The Dolphin	46	6
41.	The Hot Rock	31	9
42.	The Great Dictator/Chaplin	N	4
43.	Tickle Me/Elvis	N	5
44.	King Kong	23	9
45.	Amos & Andy	N	5
46.	Blue Hawaii/Elvis	34	12
47.	The Bible	49	6
48.	Valley Of The Dolls	N	6
49.	Heckle & Jeckle	N	3
50.	Manitou	50	2

Batteries: A ‘charged-up’ market



Both consumers and retailers alike find it easy to overlook, but an industry whose total consumer volume in 1978 amounted to over $1 billion deserves some attention. Requiring a minimum of space to display, the battery market can provide a nice steady stream of revenue to the store which carries them. A full 80% of battery sales are for replacements.

The biggest success story of the past few years has been the growth of the alkaline over the traditional carbon zinc battery. Alkaline sales have increased 25% annually over the past few years, so that it now commands about 35% of the total retail dollar volume.

According to a spokesman for Ray-O-Vac, there exists a direct corollation in consumer's minds between the original cost of the product and how much he or she is willing to pay for replacement batteries to put in it. He says, “For low-cost devices, consumers usually buy low-cost batteries; the growth of alkaline can be attributed to the growth of expensive devices.”

Mike Manolios, technical marketing manager for Union Carbide (Ever-Ready), says this creates a spillover. “Once the consumer has purchased the more expensive alkaline battery and has been pleased with its performance, he begins to shift his buying patterns to the alkaline.” He cited hand-held electronic games as an example.

Although consumers bought carbon-zinc batteries for toys in the past, they were selecting alkaline replacement cells for this new popular “toy.”

Strength of alkaline

Mallory has made, perhaps, the strongest commitment of all power cell manufacturers to the alkaline market with its Duracell product. Alkaline batteries do display advantages in many consumer applications. They have a longer life, both on the shelf and in actual use. They are very good in start-stop applications. They provide good service in temperature extremes and they have more consistent power toward the end of their life. Thus they are often more expensive to buy but cheaper to use.

Mallory says, “Many pieces of equipment have been designed specifically to use alkaline and consumers will use what the manufacturers recommend.”

Ray-O-Vac and Union Carbide, both more full-line oriented, warn that in spite of the many advantages of the alkaline battery it is not always the consumers' best choice.

In a low-drain situation, such as a transistor radio, the higher-priced alkaline shows no significant advantage over carbon-zinc. Also a product which has only intermittent use, such as a flashlight, has no real need for alkalines.

Carbon-zinc still tops

Though more and more people are buying alkaline batteries for use in flashlights, radios and toys, the vast majority of consumers are still using carbon-zinc batteries for replacement power cells in those products. The D or flashlight size is the largest single seller—about 29% of all batteries sold are for use in lighting devices.

Yet, the fastest rising segment of the battery industry is the button cell. It has been growing about 30% a year for the last several years. This rise is chiefly attributable to the digital and quartz watch explosion. Ten percent of the total battery replacement dollar volume now goes to watches.

Contributing also to the continuing rise of the button power cell, is its use in calculators, particularly the mini-card type. Ray-O-Vac projects that by 1981, 85% of all calculators will use button cells for power or alternate power but Union Carbide predicts only 50%.

In addition, other new products are helping the growth potential of button cells: Thin-line radios, smaller portable tape players and flat travel alarm clocks. Also, the decline of the AAA battery, manufacturers agree, will help the button. Though only a small part of the present replacement battery market, chiefly for cameras and calculators, AAA will probably almost totally give way to the button.

Button cell problems

All is not roses in the button cell market right now, however. The rapid increase in volume has caused an equivalent expansion in sizes or styles. Equipment manufacturers design a tiny hole for the button cell with little regard for standardization so that now there are over 20 different sizes for watches alone.

This creates problems for manufacturers and retailers alike. The Ray-O-Vac spokesman says, “The battery industry experienced the same chaos when transistor radios first came out. People didn't know what batteries went in them and neither did the store clerks.”

However, he added, “As the number of watch companies become fewer, the variations of internal design will also decrease, and then the sizes of button cells will stabilize.”

One could expect, as the consumer leans toward more expensive power cells, that the even more expensive rechargeable market would also benefit from this trend. However, this has not been the case. The rechargeable is used only in those products which would not be possible without it, where a high level of power is required for long periods of time.

Prefer disposables

According to Ray-O-Vac, consumers seem to prefer spending small sums a few times a year rather than making the increased expenditure for rechargers and rechargeable batteries.

Manolios of Union Carbide points out that the American consumer is accustomed to disposable products and generally balks at the higher up-front cost. Consumers demand, instead, that improvements in power needs come from the device manufacturers themselves, that they design more energy-efficient models. Historically, equipment manufacturers have complied. The device which required recharging today probably won't tomorrow.

None of the battery manufacturers interviewed expressed any concern about the introduction of solar panels in, for example, calculators or digital watches. “Device manufacturers,” according to the Ray-O-Vac spokesman, “are pushing the state of the art and asking too many things of the battery.” Solar panels allow batteries a little breather, extending their capabilities just that little extra bit. In the long run, however, solar energy may eventually revolutionize the battery industry.

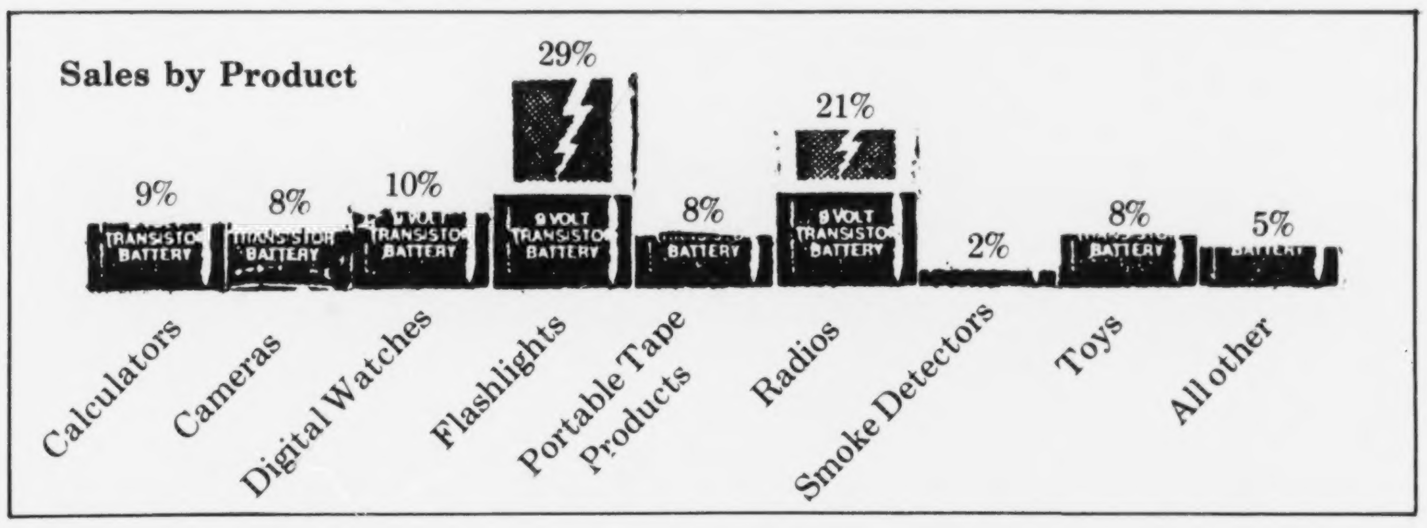
Lithium newest innovation

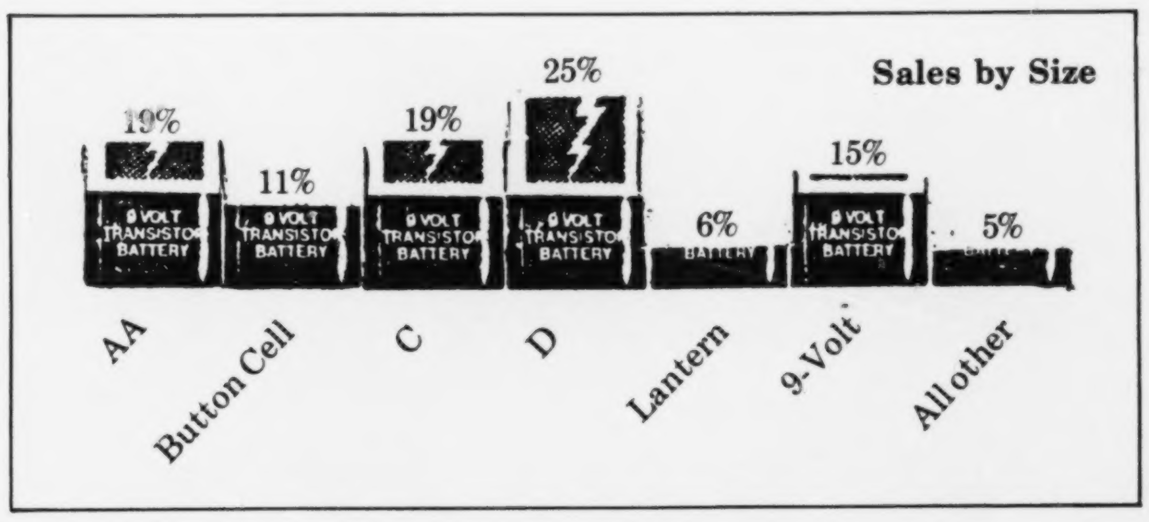
A new advance in the battery field is the long-lasting and more expensive lithium power cell. Ray-O-Vac says, “Lithium shows some promise as an alternate power source for the mass market,” but they are being cautious. The lithium has more voltage but less power. “A lot of systems show promise, but many don't have a broad enough application,” he added.

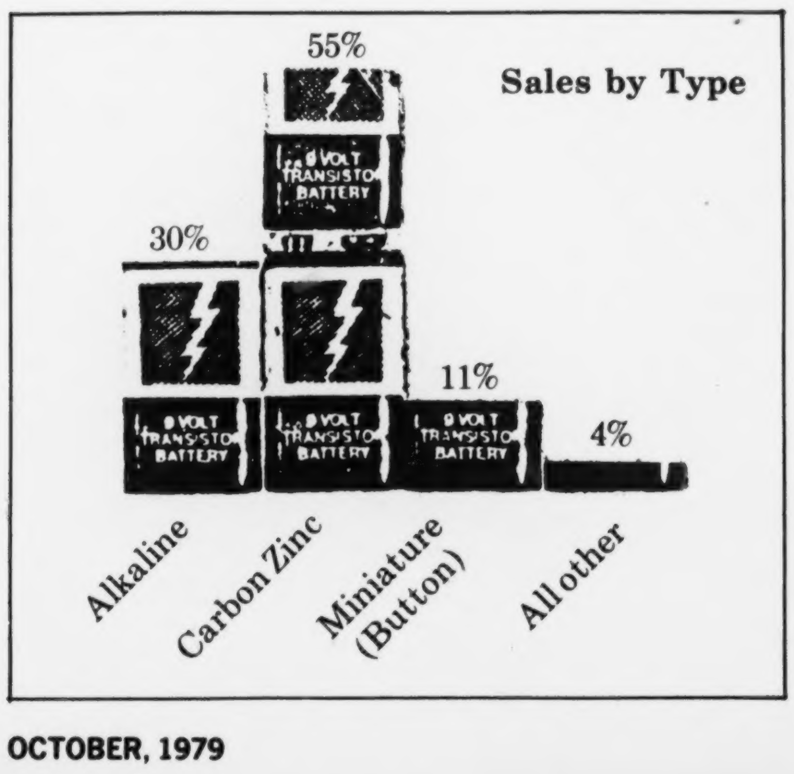
Today, lithium is more expensive than the alkaline, and manufacturers aren't sure there will be any real dollar savings to the consumer. It does represent, however, another open door, another possible type of energy source.

As Duracell says, “The on-going (battery) market is big and will continue to grow big with continuing shots in the arm from technology.”

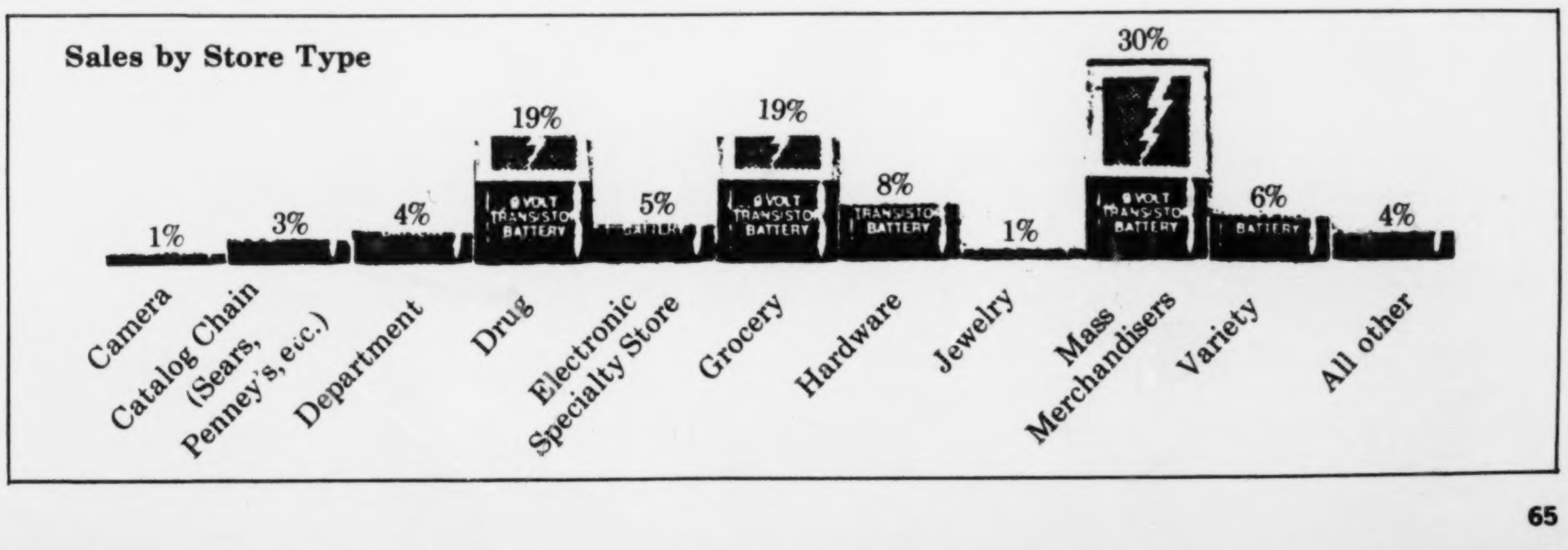
—Sheila Ward
Director, Market Research







Source: Manufacturers Estimates



NOTE

ONLY THE FOLLOWING PAGES OF THIS PUBLICATION

HAVE BEEN FILMED

Cover 1, p. 4,

p. 33-35, 38-42,

44, 46, 49, 52,

61.

formerly Merchandising Week
AGRALLA PUBLICATION
NOVEMBER 1979

Merchandising

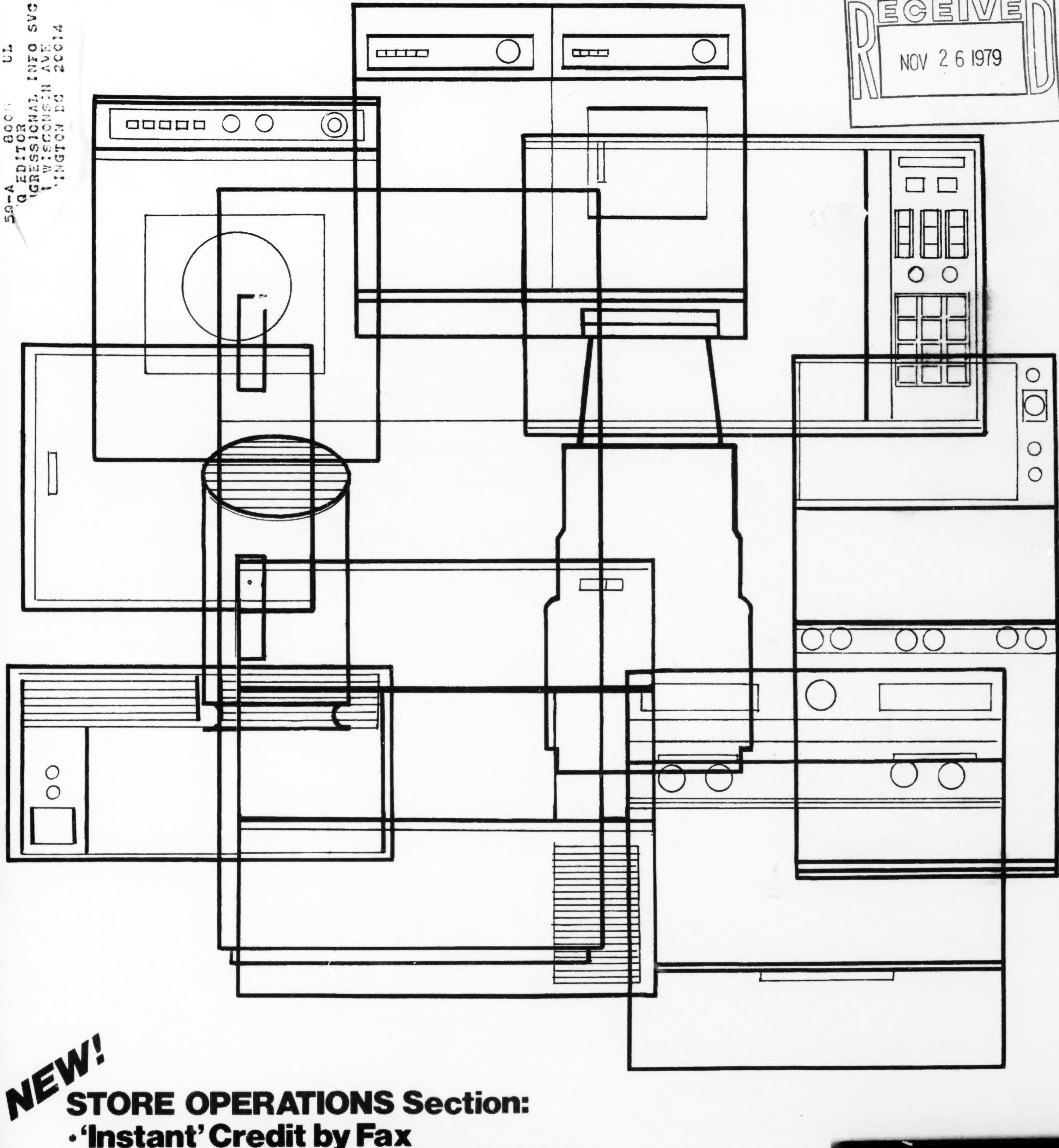
PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

C4200-1

Fifth Annual
Major Appliance Statistical & Marketing Report

RECEIVED
NOV 26 1979

59-A 800 UL
Q EDITOR
GRESSIONAL INFO SVC
WISCONSIN AVE
INGTON DC 20014



NEW!

STORE OPERATIONS Section:

- ‘Instant’ Credit by Fax
- For Sale-Hifi Computer Package

BEST AVAILABLE COPY

formerly Merchandising Week A GRALLA PUBLICATION

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

NOVEMBER 1979

5th Annual Major Appliance Statistical & Marketing Report

33

Merchandising's fifth annual Major Appliance Statistical & Marketing Report finds 1979's overall trends fall just short of an excellent '78 in air treatment, cleanup, cooking and refrigeration products.

Microwave ovens and gas ranges push overall cooking results over year-ago figures; high-end gains put laundry dollar totals ahead of '78 despite slippage in units; and freezers reverse trend of recent years with an 11% spurt while refrigerators sag under pressure of housing declines.

Analyses by associate editor Jack Blood, and data compilations by Fern Milman, research associate.

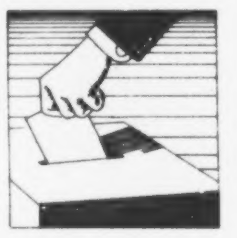
Store Operations

62

Wander's, one of the largest independent retailers of audio, appliances and home furnishings in the greater Pittsburgh area with nine stores, is now using facsimile transmissions between its stores and area finance companies to speed on-the-spot credit approvals. And Stereo Town, a 13-store hifi specialty shop, which spent about $145,000 over the past two years getting its in-store computer system in shape, is trying to speed up the payback by selling its highly customized computer software package to other specialty stores. These stories and others appear in *Store Operations,* a new monthly section in *Merchandising.*

Today's Business Climate

61



How are store owners and operators adjusting to today's business climate? Well, they're not sitting still, according to our most recent RETAIL OPINION FILE survey. Among other things, they're going to shorter store hours and are moving and expanding to accommodate more selling space.

Trendings

14

- Sell the benefits of hifi, not the specs, suppliers urge dealers.
- Pickup in video entertainment sales promise an excellent holiday, buyers say.
- Floor care expected to tide electric housewares buyers over pre-holiday "lull."
- Microwave ovens slated to carry the day for major appliance retailers.
- "Show-and-sell" is seen road to holiday riches in non-electric housewares.
- Specialty phones outpace basics for personal electronics dealers.

Pulses

By taking both the high and low-end roads, the telephone answering machine industry is blazing a trail to success. Manufacturers and retailers report the benefits and conveniences of answerers are finally being realized by the consumer. 74

The best way to move a lot of blank audio tape, dealers are finding, is frequent discounting and promotion and/or just plain giving it away. 81

Prerecorded Videocassette Report

52

To the surprise of hardly anyone, MCA and Walt Disney failed to prevent Sony from selling its videocassette systems for off-air home taping. However, an appeal is expected to be filed by the plaintiffs following the three-year court fight.

From the Capital

12

American appliance manufacturers have won an initial victory in their fight to get extra duties slapped on Japanese microwave ovens, but it's going to be a while before it's clear that any action will be taken against them.

Transshipping

12

Transshipping, a fine art long a part of the distribution system, may be reaching record proportions among retailers of appliances and electronics. In his monthly column, "Editorially Speaking," Aaron Neretin suggests the practice is big enough to perhaps require reporting of transshipper-to-dealer sales as well as distributor-to-dealer sales.

Happenings

- Distributors were told White Consolidated is dropping Hamilton and Bendix labels; Crosley readies laundry line 74
- Much metal cookware comes into the U.S. duty-free under GSP status and the MCMA doesn't like it 76
- John Nevin resigns as chairman of Zenith Radio 76
- AB Electrolux of Sweden to buy Tappan for estimated $55.8 million through U.S. subsidiary 77
- Corning will launch its new Rangetoppers next April 78

Product Picture

Electronics 66-67

Housewares 71-73

Major Appliances 68-70

Clairol

56

Clairol is getting very personal in the new products department, having recently introduced dental care products and a new personal security device into its regular personal care retail channels for 1980.

Demographics are very much in the company's favor: Millions of people have dental problems and fear for their personal safety, surveys show.

Coming in December!

★ **Merchandising's fourth annual breakout of the retail hifi market: State-by-state dollar volume and who's who among leading merchants.**

A GRALLA PUBLICATION
VOL. 4, NO. 11 NOVEMBER 1979

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & advertising consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)

Editor ....Ron Schneiderman
Executive Editor ....Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Jim Schneider
Assistant Editor ....Joyce Jarcho
Field Editor.........Stephanie Azzarone
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director ....Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director ....Barry Miller
Production Manager ....Susan Benvenuto
Assistant Production Manager ....Vicki Lauro
Circulation Director ....James Fischer
Circulation Manager ....Lisa Hoff
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3601 W. Devon Ave., Chicago, IL 60606
George Stevens (312) 588-7622

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

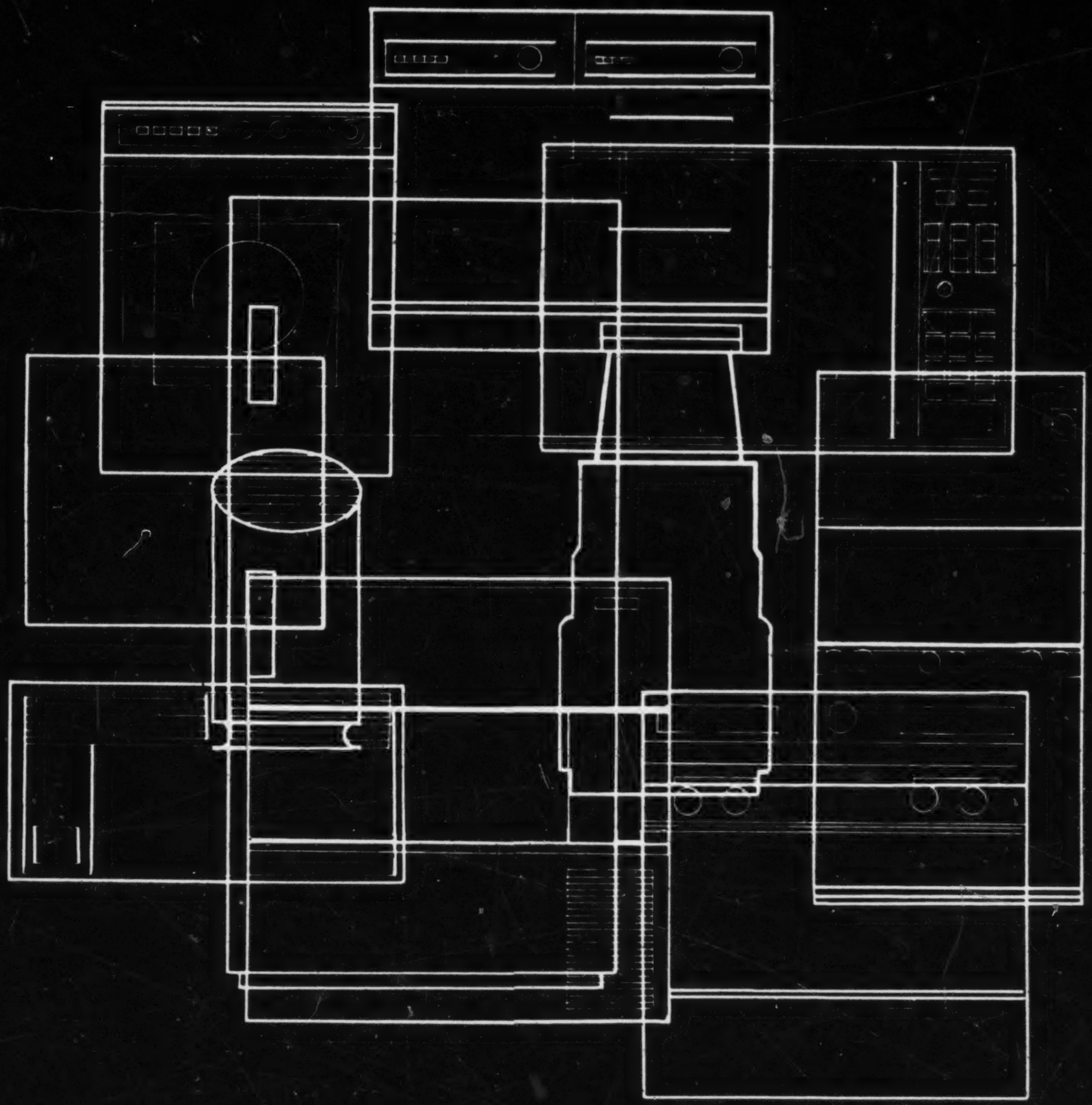
SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Merchandising
NOVEMBER 1979



CONTENTS

Air Treatment 34-35
Cleanup Appliances 38-39
Cooking Appliances 40-41
Laundry 42, 44
Refrigeration 46, 48

JACK BLOOD, *major appliance editor*
FERN MILMAN, *research associate*

BEST AVAILABLE COPY

Air Treatment

Product	*1978**	*1979**	*% Change*	*Best Retail Price*
Air Treatment, Total	4,709	4,048	-14.0	–
Air Conditioners, Room	4,037	3,233	-19.9	$354
Air Cleaners, Total	231	279	+ 20.8	–
Portable (room-type)	53	59	+ 11.3	$230
Central & Duct Mount	178	220	+ 23.6	$297
Dehumidifiers	441	536	+ 21.5	$143

**In thousands*

ROOM AIR CONDITIONER SALES BY SIZE

Size	*% 1978*	*% 1979*
Under 7,000 Btu	31	30
7,000-10,000	30	29
11,000-19,000 Btu	29	30
21,000 Btu & over	10	11

ROOM AIR CONDITIONER SALES BY EER

Rating	*% 1978*	*% 1979*
High (7.5 and over)	30	34
Low (under 7.5)	70	66

ROOM AIR CONDITIONER SALES BY TYPE OF INSTALLATION

Installation	*% 1978*	*% 1979*
Regular	84	85
Casement	7	6
Through-the-wall	9	9

ROOM AIR CONDITIONER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	28	29
Builder-Contractor	4	5
Catalog Chain (Sears type store)	23	21
Catalog Showroom	–	2
Department Store	19	16
Discount Store	24	23
Furniture store	1	2
Home Improvement Center	–	1
Kitchen Remodeler	1	1

ROOM AIR CONDITIONER SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $150	3	3
$150-$250	36	34
$251-$350	23	24
$351-$450	19	21
$451-$550	9	9
$551-$650	6	5
$651-$750	2	2
Over $750	2	2

DEHUMIDIFIER SALES BY CAPACITY

Capacity	*% 1978*	*% 1979*
15 pts. & under	12	11
16-29 pts.	63	55
30 pts. & over	25	34

DEHUMIDIFIER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	28	27
Catalog Chain (Sears type store)	24	25
Catalog Showroom	1	1
Department Store	20	20
Discount Store	19	20
Furniture Store	7	6
Home Improvement Center	1	1

It was a "Dickens" of a year for air treatment products, filled with paradoxes. Room air conditioner sales were down, but dehumidifiers and electronic air cleaners were up.

Air treatment was the one product area where weather and climatic conditions played a heavier role than economic factors, such as the housing slump which impacted on most other appliances.

Not that the economy and soaring inflation didn't leave their impact, particularly on room air conditioners.

Inflationary costs, compounded by other expenses that manufacturers were burdened with in complying with government-mandated regulations on energy conservation, raised air conditioer prices to record highs. Retail selling prices were also higher than they were a year ago because 1978 was a virtual sellout that included many older, less efficient—and cheaper—units.

An indication of this higher price impact on air conditioner sales is that fan sales jumped vs. 1978 *(Merchandising,* September.)

But weather conditions were unfavorable throughout much of the country, and when the hot, humid weather finally came in the big midwestern and eastern markets, it came too late to offset the loss of business experienced earlier.

As a result, room unit sales, projected at 3,233,000, while on about a par with a "good" 1977, will fall considerably short of the 4-million-plus year experienced in 1978.

The breakout by capacity indicates the kind of year it was. Higher-capacity units took a greater share of the market. These are regarded by the industry more as "considered" purchases, compared with the smaller take-with type which are thought of as "impulse" purchases made when heat hits.

Also, "considered" purchases are more likely to be made pre-season, and are likely to rise in the year following a good season, such as prevailed in 1978. This year, data show the under-7,000 Btu and the 7,000-10,000 categories (which represent "impulse" purchases) each losing a point in market share. Conversely, the two larger groupings, 11,000-19,000 Btu and 21,000 Btu and over, each gained.

Instructive, too, are the figures on high efficiency units. Those with an energy efficiency ratio (EER) of 7.5 or over, continued to increase their share, to 34%, up from 30%.

As noted, much of the impetus toward energy efficiency is government mandated. But despite the generally higher prices for high EER units ($50 to $100 more at retail) which still lead the majority of consumers to opt for less efficient units, the more efficient models are increasingly attractive to consumers.

Contrary to weather conditions, which impeded air conditioner sales, the wet spring compounded by a heavy thaw in many northern markets, helped dehumidifier sales climb 21.5% to 536,000 units, its best year in the last five.

Moreover, capacities got bigger, with 35-pt. (recently from Whirlpool) and 40-pt. capacities increasingly being marketed.

The 1979 sales breakout shows the 30 pts. and over grouping rising from 25% to 34%, the gain coming at the expense of the smaller-sized units.

Air cleaners likewise experienced sales growth, buoyed in part by new entrants on the manufacturing scene.

Estimates put 1979 air cleaner volume at 279,000—up 20.8%—with both the central and duct mount (220,000) and portable or room type (59,000) showing gains.

Appliance/tv dealers retained their leading share as the purchase source—with 29% in room air conditioners and 27% in dehumidifiers. •

Cleanup

Product	*1978**	*1979**	*% Change*	*Best Retail Price*
Cleanup Appliances, Total	7,170	7,127	-0.6	–
Dishwashers, Total	3,557	3,527	-0.8	–
Portable	586	529	-9.7	$346
Built-In	2,971	2,998	+ 0.9	$323
Food Waste Disposers	3,313	3,304	-0.3	$ 89
Trash Compactors	300	296	-1.3	$251

**In thousands*

DISHWASHER SALES WITH ENERGY-SAVING DEVICES

% 1978	*% 1979*
79	82

BUILT-IN DISHWASHER SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $250	17	16
$250-$299	33	27
$300-$349	25	25
$350-$399	14	14
$400-$450	7	12
Over $450	4	6

PORTABLE DISHWASHER SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $250	14	19
$250-$299	35	29
$300-$349	35	31
$350-$400	10	11
Over $400	6	10

DISHWASHER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	19	19
Builder-Contractor	40	39
Catalog Chain (Sears type store)	19	20
Catalog Showroom	1	0
Department Store	5	4
Discount Store	8	8
Furniture Store	1	1
Home Improvement Center	–	1
Kitchen Remodeler	7	8

FOOD WASTE DISPOSER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	12	11
Builder-Contractor	40	41
Catalog Chain (Sears type store)	12	13
Department Store	4	2
Home Improvement Center	3	5
Kitchen Remodeler	14	14
Plumbing Contractor	15	14

TRASH COMPACTOR SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	25	25
Builder-Contractor	25	26
Catalog Chain (Sears type store)	21	20
Catalog Showroom	2	2
Department Store	16	16
Discount Store	4	3
Home Improvement Center	1	1
Kitchen Remodeler	6	7

DISHWASHER SALES BY COLOR

	% 1978	*% 1979*
Almond	22	28
Avocado	6	6
Coffee	3	8
Coppertone	7	3
Harvest Gold	17	8
Wheat	4	8
White	30	27
Wood Grain	1	2
Other*	10	10

**Includes multicolor panel packages.*

Beating last year's figures was a tough goal, but dishwasher, disposer and compactor totals came "this close" to making it.

The trio of cleanup appliances experienced 1979 sales virtually on a par—collectively and individually—with those of 1978, which was a record for disposers and not far off for dishwashers and compactors.

It was done, not with mirrors, but largely through improved product features and performances which helped elevate selling prices. Total dollar volume, as a result, can be expected to easily surpass year-ago levels even if unit volume doesn't.

Total dishwasher volume, by coming in at 3,527,000 units, brings it only 0.8% behind 1978's 3,557,000. Built-ins actually did surpass their previous high of 2,971,000 with a volume of 2,998,000.

However, the 9.7% sales drop to 529,000 by portables—the biggest decline of any cleanup appliance category—presented a new total dishwasher record.

Built-ins undoubtedly took sales away from portables. Their record volume even in the face of a weakened builder market—an area of traditional strength—attests to a stronger replacement market. Many were going into homes as replacements for the built-in or undercounter units initially purchased in the "boom" years of the late '60s and early '70s. Since the cutout and plumbing and electrical connections are already available here, this has made it easier for replacement business.

Also, manufacturers catering to the do-it-yourself market are designing units for easier installation.

Clearly with its continuing strong sales, the dishwasher has shed its "luxury" image and is now considered more of a necessity.

Product developments include improved washing action, more flexible loading racks, better insulation—to absorb sound and retain heat—cycle options ranging from washing fine crystal to pots as well as "rinse and hold" for partial loads, permitting storage before running a full load.

Also, greater attention to energy conservation is reflected in reports that dishwasher sales with energy-saving devices rose to 82% of the total.

Feature upgrading, primarily in the form of improved insulation and reducing "jamups," is also evident in the garbage and refuse-handling appliances.

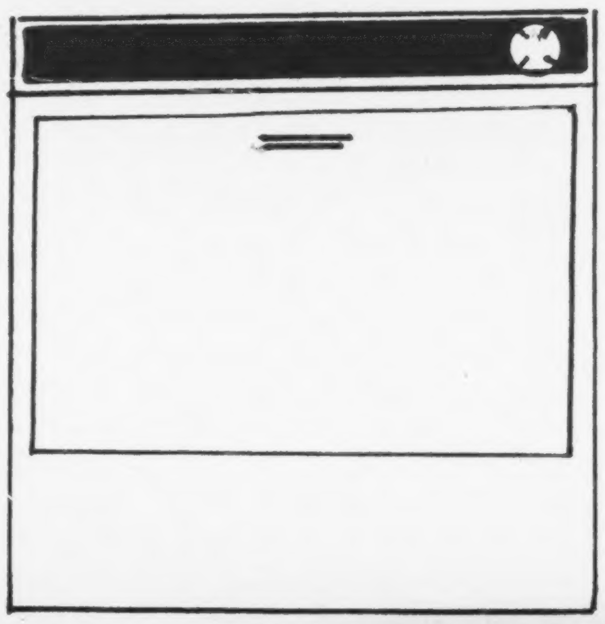
Food waste disposers, coming off a record 3,313,000 year in 1978, came within a whisker, 0.3%, of matching it with 3,304,000 units. Even though the slowdown in housing starts had to hurt, this was countered by heavier replacement sales and better retail selling prices.

The trash compactor, still facing a consumer education problem, nonetheless again approached the 300,000 mark. It's 296,000 total was only 13.% behind the year-ago level.

Virtually all of its sales, unlike the dishwasher and disposer, were to first-time purchasers, since the first ones were only introduced in 1969 by Whirlpool. Since then, Whirlpool's productions has passed the one-million milestone.

Promoting energy-efficiency, Sears asserts its ⅓ horsepower compactors can pack a week's worth of trash for a family of four—three 20-gal. cans into one bag/week—for less than 25¢ a year.

Catalog chains, of which Sears is archetypical, rank high as the purchase source for all three cleanup appliances. This outlet category with a 20% market share, ranks just ahead of appliance/tv dealers' 19% in dishwasher sales. Despite a slight slippage, the builder-contractor retains the lead in dishwasher sales with a 39% share.



In compactors, the ranking shows the builder contractor with 26%, appliance/tv dealer, 25%, and catalog chain 20%. In disposers, kitchen remodelers and plumbing contractors each have 14%, just above the catalog chain's 13%, but, again, the builder-contractor is at the top with a hefty 41%.

Whatever the outlet, all shared in a cleanup appliance year, whose 7-million plus units made it one of the best. ●

5th Annual Major Appliance Statistical & Marketing Report

Product	*1978**	*1979**	*% Change*	*Best Retail Price*
Ranges, Electric, Total	3,218	3,091	-3.9	–
Free-Standing	2,337	2,254	-3.6	$388
Built-In	881	837	-5.0	$370
Ranges, Gas, Total	1,797	1,876	+4.4	–
Free-Standing & Set-In	1,545	1,616	+4.6	$341
High Oven	123	129	+4.9	$559
Built-In	129	131	+1.6	$371
Smoothtop Ranges	249	218	-12.4	$548
Microwave Ovens, Total	2,422	2,711	+11.9	–
Countertop	2,190	2,425	+10.7	$437
Combination	232	286	+23.3	$978

**In thousands*

Cooking

M/W COMBINATION SALES BY TYPE

Type	*% 1978*	*% 1979*	*Best Retail Price*
Single-Cavity	19	16	$ 775
Electric Double-Oven	72	70	$ 962
Gas Double-Oven	9	14	$1,045

COUNTERTOP M/W SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $250	6	7
$250-$299	12	10
$300-$399	25	28
$400-$499	33	33
$500-$600	22	18
Over $600	2	4

M/W COMBINATION SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $650	5	4
$650-$749	19	14
$750-$849	28	24
$850-$1,000	26	31
Over $1,000	22	27

MICROWAVE OVEN SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	40	38
Builder-Contractor	2	3
Catalog Chain (Sears type store)	23	24
Catalog Showroom	3	3
Department Store	11	11
Discount Store	11	10
Furniture Store	7	6
Home Improvement Center	–	1
Kitchen Remodeler	3	3
Other	–	1

GAS RANGE SALES WITH PILOTLESS IGNITION

% 1978	*% 1979*
57	64

GAS RANGE SALES BY CLEANING SYSTEM

Type	*% 1978*	*% 1979*
Self-Cleaning	11	12
Continuous Clean	36	36

GAS RANGE SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	38	39
Builder-Contractor	12	11
Catalog Chain (Sears type store)	32	32
Catalog Showroom	1	1
Department Store	3	3
Discount Store	4	4
Furniture Store	5	5
Home Improvement Center	–	1
Kitchen Remodeler	5	4

ELECTRIC RANGE SALES BY CLEANING SYSTEM

Type	*% 1978*	*% 1979*
Self-cleaning	38	39
Continuous Clean	25	22

ELECTRIC RANGE SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	35	38
Builder-Contractor	12	13
Catalog Chain (Sears type store)	24	22
Catalog Showroom	2	2
Department Store	8	6
Discount Store	3	3
Furniture Store	2	3
Home Improvement Center	3	3
Kitchen Remodeler	11	10

SMOOTHTOP SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	39	39
Builder-Contractor	5	5
Catalog Chain (Sears type store)	27	27
Department Store	12	11
Discount Store	2	2
Furniture Store	4	3
Home Improvement Center	1	1
Kitchen Remodeler	10	12

RANGE SALES BY COLOR

	% 1978	*% 1979*
Almond	28	31
Avocado	6	5
Coffee	4	5
Coppertone	3	1
Harvest Gold	15	10
Wheat	6	8
White	34	35
Wood Grain	1	1
Other	3	4

ELECTRIC DOUBLE-OVEN SHARE OF MARKET

% 1978	*% 1979*
24	23

GAS DOUBLE-OVEN SHARE OF MARKET

% 1978	*% 1979*
23	22

ELECTRIC RANGE SALES BY SIZE

Size	*% 1978*	*% 1979*
24-in. & under	9	9
30-in.	76	79
36-in.	8	6
40-in.	7	6

GAS RANGE SALES BY SIZE

Size	*% 1978*	*% 1979*
24-in. & under	10	9
30-in.	70	75
36-in.	16	12
40-in.	4	4

A smorgasbord of varying results is the picture for cooking appliances this year.

Total unit volume is expected to come in at well over 7-million units, slightly ahead of a year ago, with gains in microwave ovens and gas ranges more than compensating for a drop in electric ranges.

Increases in overall dollar volume, attributable not only to continuing inflation-pressured price hikes but also to better-featured units being marketed, were even greater than the unit gains.

A major factor in the upgraded features trend has been the increasing importance of the replacement market. Always a big factor in range sales, replacements were even more crucial in keeping industry volume at high levels this year in the face of a big downturn in new housing.

Moreover, replacement ranges are generally better-featured than the builder units placed in tract housing.

The slump in housing is partially reflected in the built-in range figures. Electric built-ins dropped 5% below year-ago levels, and gas built-in unit volume was only 1.6% better than a year ago.

Built-ins comprise a significantly greater share of electric range volume than they do in gas ranges, a contributing factor in the sales gains made by gas ranges during the year vs. electrics.

Overall, electric range unit sales show a decline for the first time since the recessionary 1974-75 years, to just over 3-million units. Free-standing units are off 3.6% to 2,254,000, and built-ins, 5% to 837,000.

Within the electric category, smoothtops experienced a 12.4% volume tumble to 218,000 units. The decline is seen related to doubts about such units' energy efficiency as well as a lower promotional profile.

Gains in gas range volume took up much of the slack. For the first time since electric ranges achieved parity with gas, gas range volume grew while electric declined. The 4.4% increases to 1,876,000 units raised gas ranges to their highest total since 1976, and reflected gains in all segments—freestanding, eye-levels and built-ins.

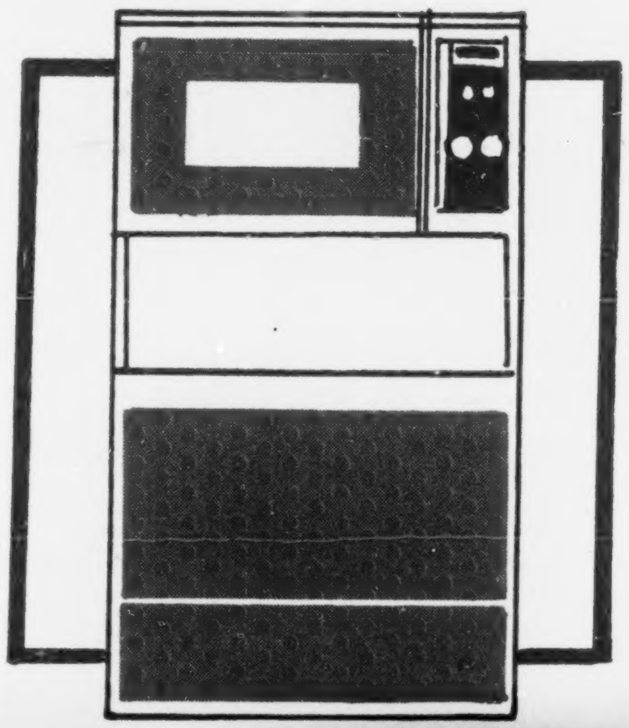
The relatively improved posture of gas ranges to electric is attributable not only to builder market weaknesses where the full-line electric oriented appliance manufacturers have been traditionally stronger, but to improved gas supplies and resultant greater promotional efforts by the gas industry.

Gas ranges have benefited from the "energy crunch" by heavily promoting pilotless units, which not only raised their market share to 64% but whose electronic ignition feature contributed to higher selling prices.

Features like self- or continuous-cleaning ovens also made for higher ticket sales in both gas and electric ranges. Induction, modular top, and convection cooking were other significant product developments that show growing product.

Microwave ovens, experiencing continuing double-digit growth to another record high of over 2.7-million units on an 11.9% gain, saw combination micro/range units growing even faster, 23.9% to 286,000, with sales concentrated in the $900-$1,000 area.

Countertops, reflecting intense competition—and involved in domestic producers charging off-shore manufacturers with "dumping"—was one product area where prices were dropping or at least incorporating touch control, probe, and other upgrading features on new models at unchanged prices.



Efforts to broaden the market to lower level income groups were also being undertaken. But the "best retail price," while down a bit from a year ago, still indicates the strength of high-end features.

The appliance/tv dealer retains his dominance as the sales source for ranges and microwaves, and even the slight dip in the latter share—to 38% from 40%—is more a reflection of the diversity—and acceptance—of this rapidly growing cooking appliance. ●

Laundry

Product	1978*	1979*	% Change	Best Retail Price
Laundry, Total	8,888	8,736	-1.7	–
Washers, Total	5,038	5,080	+0.8	–
Auto. & Semi-Auto.	4,528	4,591	+1.4	$372
Wringer & Spinner	200	192	-4.0	$214
Compact Washers (24-in. or less)	310	297	-4.2	$253
Dryers, Total	3,850	3,656	-5.0	–
Electric	2,864	2,708	-5.4	$265
Gas	757	752	-0.7	$294
Compact Dryers (24-in. or less)	229	196	-14.4	$290

**In thousands*

WASHER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	34	35
Builder-Contractor	2	2
Catalog Chain (Sears type store)	28	26
Catalog Showroom	4	5
Department Store	13	13
Discount Store	11	11
Furniture Store	8	8

COMPACT WASHER AND DRYER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	51	51
Catalog Chain (Sears type store)	11	11
Catalog Showroom	5	5
Department Store	10	10
Discount Store	12	12
Furniture Store	11	10
Builder-Contractor	–	1

WASHER SALES BY CAPACITY

	% 1978	*% 1979*
12 lb. & under	19	19
14 lb.	13	15
16 lb.	19	22
18 lb. & over	49	44

WASHER SALES BY NUMBER OF CYCLES

	% 1978	*% 1979*
1-2	33	31
3-4	64	66
5 or more	3	3

WASHER SALES BY COLOR

	% 1978	*% 1979*
Almond	13	19
Avocado	6	4
Coffee	1	1
Harvest Gold	11	8
Wheat	6	6
White	63	62

WASHER SALES WITH SUDS-RETURN CYCLE

% 1978	*% 1979*
2	2

WASHER SALES BY TYPE OF CONTROLS

	% 1978	*% 1979*
Electronic controls	3	4
Mechanical controls	97	96

PORTABLE WASHER MARKET SHARE

% 1978	*% 1979*
6	6

DRYER SALES BY NUMBER OF CYCLES

	% 1978	*% 1979*
1-2	36	34
3-4	62	63
5 or more	2	3

DRYER SALES BY COLOR

	% 1978	*% 1979*
Almond	14	21
Avocado	6	4
Coffee	1	1
Harvest Gold	12	9
Wheat	6	6
White	61	59

DRYER SALES BY TYPE OF TIMER

	% 1978	*% 1979*
Automatic fabric settings	63	66
Time-dry	37	34

DRYER SALES BY TYPE OF CONTROLS

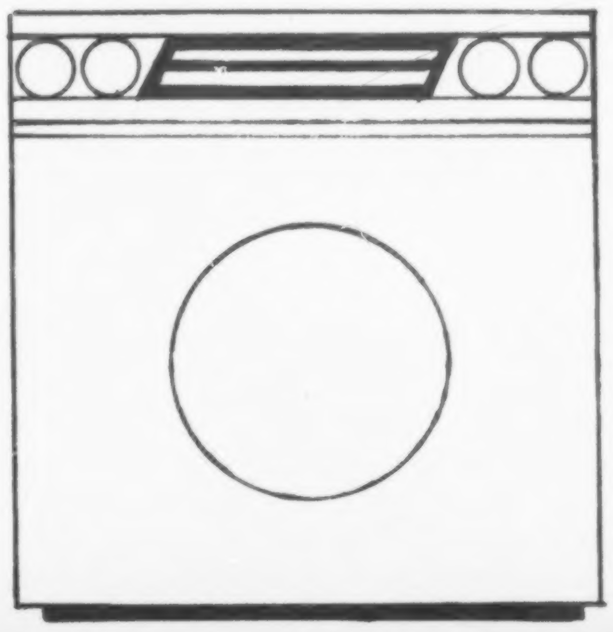
	% 1978	*% 1979*
Electronic controls	2	4
Mechanical controls	98	96

DRYER SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	32	35
Builder-Contractor	2	2
Catalog Chain (Sears type store)	28	26
Catalog Showroom	3	4
Department Store	14	13
Discount Store	12	12
Furniture Store	9	8

Laundry

• *Continued from page 42*



Action a-plenty marked the home laundry industry in 1979. And it was just not in sales, which had to be assessed as not bad at all in the face of negative headlines about the economy and energy assailing the consumer all year long.

While overall industry volume is projected to be off a miniscule 1.7%, the 8.7 million plus total is still rated one of the best ever. In addition, dollar volume was up (due both to inflation and also to better featured, higher-end sales).

Total washer sales are seen again topping the 5-million unit market on a fractional gain, for the third best year ever. Dryers slipped 5% to a projected 3,656,000, partly because their replacement "life" is longer than washers, and perhaps being considered more "postponable purchases" in an uncertain economy.

Housing starts, while not as big a factor in laundry sales as in other appliances, were depressed. A related factor that may have had an adverse effect on home laundry business is that the inflated cost of homes may have priced some people out of the market. On the other hand, sales of coin-op or commercial laundry equipment—made by much the same manufacturers as in home laundry—reportedly were up about 3-4%.

Home laundry sales were marked by a trend toward greater automaticity and features. Not only were "automatic" sales up—while the wringer/spinner and compact sectors each declined about 4%—but multi-cycle and electronic control models exhibited market share growth, a trend helping to raise selling prices.

Energy saving was becoming an increasingly important factor, reflected in more cold water wash cycles, water-level controls and mini-wash features.

Dryers, like washers, also saw units with sophisticated features like automatic fabric settings and electronic controls moving up in market share.

The 752,000 gas units virtually all now equipped with ignition devices in lieu of pilot lights, came within a hair of matching year-ago unit volume, while electronics show a 5.4% loss to 2,708,000. As with gas ranges, an improved fuel availability picture and the lifting of promotional moratoriums by utilities, helped gas dryers.

The year also saw some considerable shuffling at the supplier end. Norge moved from Fedders ownership to Magic Chef; Frigidaire from General Motors to White Consolidated; Speed Queen from McGraw-Edison to the Raytheon group and White is reportedly shelving its Hamilton and Bendix laundry lines. These moves contributed to a scrambling of the pipeline picture, especially among distributors left with conflicting brand lines or without a laundry line at all.

At retail there was some scrambling as well. Market share by type of outlet indicates some shifting.

For one, the appliance/tv dealer improved his lead to 35% for both washers and dryers (his compact share is a hefty 51%). Slippage is noted by the catalog chain, a grouping that includes Sears whose merchandising zig-zags have been duly noted. But the catalog chain group (which also includes Montgomery Ward and Penney) still shows a runnerup 26% share despite a dip from 28%. The department store and discount store categories, while not as big a factor as they once were, still account for 10% and 13% each in the laundry product share breakouts.

In keeping with the changing laundry scene, there are shiftings in the color mix.

Although white is still heavily in the majority, color is becoming more important, an indication that laundry equipment may become more visible in the kitchen or adjacent areas rather than hidden in the basement or utility room.

Almond, the color introduced a year ago by GE, is the leader, improving its share—to 19% in washers, 21% in dryers—even as the runnerup harvest gold share shrinks. Wheat holds its own at 6%, while avocado shows a 2% slippage to 4%.

By any reckoning, 1979 has to go down as a colorful year for home laundry. •

Refrigeration

Product	*1978**	*1979**	*% Change*	*Best Retail Price*
Refrigerators/Freezers	**8,674**	**8,395**	**-3.2**	**–**
Refrigerators, Total	**6,890**	**6,412**	**–6.9**	**–**
Top-Mount (excluding compacts)	**4,601**	**4,316**	**-6.2**	**$540**
Side-By-Side	**1,086**	**898**	**-17.3**	**$750**
Bottom Mount	**192**	**183**	**-4.7**	**$625**
Single Door	**511**	**493**	**-3.5**	**$347**
Compact Refrigerators (under 6.5 cu. ft.)	**500**	**522**	**+4.4**	**$176**
Freezers, Total	**1,784**	**1,983**	**+11.2**	**–**
Chest	**835**	**926**	**+10.9**	**$360**
Upright	**687**	**775**	**+12.8**	**$395**
Compact Freezers (under 10 cu. ft.)	**262**	**282**	**+7.6**	**$235**

**In thousands*

REFRIGERATOR SALES BY DEFROSTING SYSTEM

	% 1978	*% 1979*
No-Frost	80	81
All other	20	19

REFRIGERATOR SALES WITH ENERGY-SAVING DEVICES

% 1978	*% 1979*
73	75

REFRIGERATOR SALES BY COLOR

	% 1978	*% 1979*
Almond	24	30
Avocado	8	7
Coffee	5	3
Coppertone	1	1
Harvest Gold	12	11
Wheat	11	9
White	39	39

REFRIGERATOR SALES BY SIZE

Size	*% 1978*	*% 1979*
11 cu. ft. & under (including compacts)	8	7
12 & 13 cu. ft.	10	10
14 & 15 cu. ft.	21	21
16 & 17 cu. ft.	21	22
18 & 19 cu. ft.	19	20
20 & 21 cu. ft.	11	11
22 cu. ft. & over	10	9

COMPACT REFRIGERATOR SALES BY SIZE

Size	*% 1978*	*% 1979*
2 cu. ft.	29	30
3 cu. ft.	8	7
4.5 cu. ft.	38	40
4.5-6.5 cu. ft.	25	23

REFRIGERATOR SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	25	26
Builder-Contractor	23	21
Catalog Chain (Sears type store)	25	25
Department Store	14	14
Discount Store	5	5
Furniture Store	3	4
Home Improvement Center	1	1
Kitchen Remodeler	4	4

COMPACT REFRIGERATOR SALES BY TYPE OF OUTLET

Store Type	*% 1978*	*% 1979*
Appliance/tv	26	27
Builder-Contractor	6	3
Catalog Chain (Sears type store)	27	28
Catalog Showroom	4	5
Department Store	16	15
Discount Store	13	15
Furniture Store	4	4
Home Improvement Center	0	1
Kitchen Remodeler	4	2

REFRIGERATOR SALES BY PRICE RANGE

Price Range	*% 1978*	*% 1979*
Under $300	8	6
$300-$399	13	13
$400-$499	24	25
$500-$649	26	28
$650-$800	15	15
Over $800	14	13

(Continued on page 49)

5th Annual Major Appliance Statistical & Marketing Report

Refrigeration

• *Continued from page 46*

Compact Refrigerator Sales by Price Range

Price Range	*% 1978*	*% 1979*
Under $120	37	30
$120-$149	35	25
$150-$180	23	32
Over $180	5	13

Freezer Sales by Defrosting System

	% 1978	*% 1979*
No-Frost	9	7
All Other	91	93

Freezer Sales by Color

	% 1978	*% 1979*
Almond	2	5
Avocado	1	2
Coffee	0	1
Coppertone	5	3
Harvest Gold	2	4
Wheat	1	2
White	86	78
Wood Grain	3	5

Freezer Sales by Size

Size	*%1978*	*% 1979*
14 cu. ft. & under (including compacts)	30	30
15 cu. ft.	18	21
16 & 17 cu. ft.	17	17
18 & 19 cu. ft.	10	10
20 cu. ft. & over	25	22

Compact Freezer Sales by Size

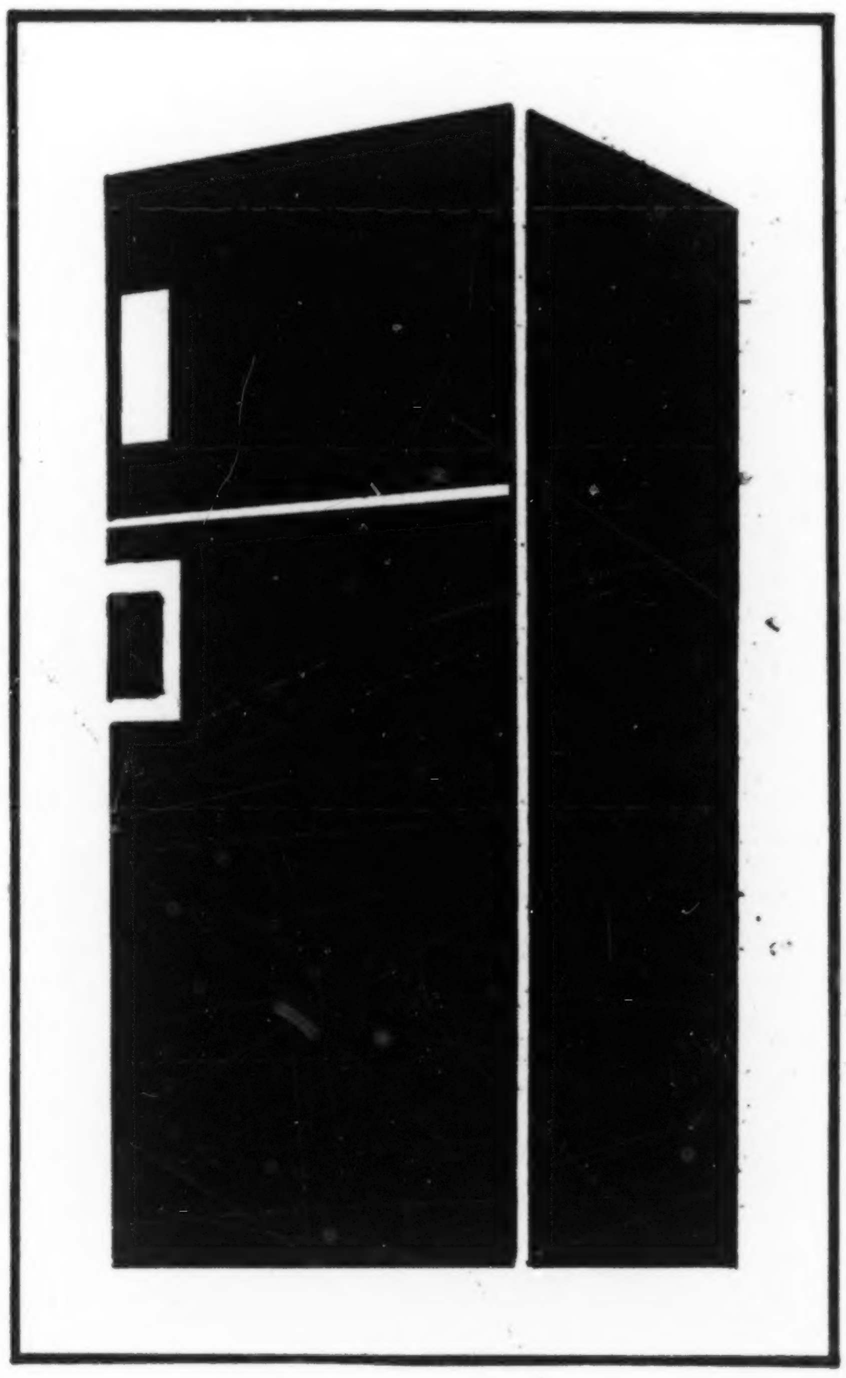
Size	*% 1978*	*% 1979*
4 cu. ft.	18	16
5 & 6 cu. ft.	30	28
7 & 8 cu. ft.	20	24
10 cu. ft.	32	32

Freezer Sales by Type of Outlet

Store Type	*% 1978*	*% 1979*
Appliance/tv	7	8
Builder-Contractor	2	1
Catalog Chain (Sears type store)	43	43
Department Store	23	23
Discount Store	20	21
Furniture Store	4	4
Kitchen Remodeler	1	0

Compact Freezer Sales by Type of Outlet

Store Type	*% 1978*	*% 1979*
Appliance/tv	17	18
Builder-Contractor	3	1
Catalog Chain (Sears type store)	28	33
Catalog Showroom	3	4
Department Store	23	20
Discount Store	18	17
Furniture Store	7	7
Kitchen Remodeler	1	0



Freezer Sales by Price Range

Price Range	*% 1978*	*% 1979*
Under $300	15	20
$300-$399	50	40
$400-$499	27	32
$500-$600	6	6
Over $600	2	2

Compact Freezer Sales by Price Range

Price Range	*% 1978*	*% 1979*
Under $190	31	20
$190-$210	24	26
$211-$240	9	35
$241-$280	21	12
Over $280	15	7

It's been a topsy-turvy year for refrigeration products. Economic factors buffetted one category, benefitted another. And energy issues impacted on the industry at every level.

Refrigerator unit volume declined, but prices were up. Capacities also increased, although compacts showed gains, too.

Freezers really flew high in all segments. In a reversal of the trend in recent years, uprights showed a greater percentage gain than chests, although the latter category retained its overall unit lead.

It was also a year which saw a great upheaval in the refrigeration industry's alignment, with two of its leading manufacturers coming under new leadership. Admiral was acquired by Magic Chef from Rockwell International and Frigidaire was purchased by White Consolidated Industries from General Motors.

The economy, ravaged by inflation-fueled energy costs, skewered the industry with a double-edged sword. Higher interest rates and material costs sorely wounded the housing industry—normally the source of a fifth of the refrigerator industry's sales.

This was the biggest cause of the 6.9% decline in refrigerator volume to an estimated 6.4 million units. But the total was still one of the industry's highest, and results were further ameliorated by higher unit selling prices.

Higher prices not only reflected inflation but also costs from government-mandated energy conservation standards which contributed to the rise, to 75% of refrigerator sales being with energy-saving devices. Also continuing popularity of "no-frost"—up to 81% of sales—and demand for larger-capacity units, particularly in topmounts also helped raise selling prices.

The biggest sales drop was found in side-by-sides, which may have been affected by the big sales gain in freezers.

For it was the freezer category which got the boost from the double-edged economy sword. High food and shopping costs sent consumers in droves to retailers for freezers, ballooning sales upwards some 11% to 1,784,000 units, the highest volume since the 1973-75 period when similar economic conditions prevailed.

Chests rose 10.9% to an estimated 926,000 units; uprights, 12.8% to 775,000. Compacts, too, shared in the growth, 7.6% to 282,000.

In terms of size, the 14-cu.-ft. and under category, including compacts, retained its leading 30%, market share. The biggest gain was shown by the next category, 14-cu.-ft. and over, declined a like amount, to 22% from 25%.

In refrigerators, by contrast, the two size extremes each lost a point—the 11-cu.-ft. and under slipping to 7%, the 22-cu.-ft. and over, to 9%, the latter being mainly side-by-sides. Gainers were the larger topmount-dominated sectors, 16 and 17-cu.-ft. group rising to 22% and the 18 and 19's, to 20%.

Not unexpectedly, the builder-contractor outlet lost market share in all refrigeration categories.

The appliance/tv dealer improved his leading share in refrigerators, to 26%. The catalog chain retained its share of 25%, as the runnerup in refrigerators, and held on to its 43% share leadership in freezers.

The spread of the freezer market to more urban areas, shown in part by the popularity of the compacts and smaller sized uprights (space being more of a consideration here than in rural markets), is apparent in the greater use of color.

White is still dominant, but slipped 8% to 78%. Almond showed the greatest gain, from 2 to 5%, a like share held by wood grain.

Almond narrowed its gap from white in refrigerators, rising from 24 to 30%, while white held at 39%.

While freezer sales were buoyed by economic forces and by first-time purchasers and little impacted by the weakness in housing, refrigerator sales more than ever in this turbulent year, relied on replacement sales to help to take up the builder market slack. Nevertheless, while not the best of years, it was far from the worst for the refrigeration industry. •

Prerecorded Videocassette Report

Sony wins MCA/Disney suit on off-air home taping

"The ramifications of this new technology are greater than the boundaries of this lawsuit."

Judge Warren J. Ferguson
U.S. District Court
Central District of California

LOS ANGELES—To the surprise of hardly anyone, MCA Inc. and Walt Disney Productions failed in their three-year fight to prevent Sony Corp. of America from making and selling videocassette systems for recording over-the-air tv broadcasts for non-commercial use.

In an opinion handed down following a five-week trial, Judge Warren J. Ferguson, stated: "Non-commercial home use recording of material broadcast over the public airwaves does not constitute copyright infringement."

He also said that none of the defendants in the case—including several retailers, as well as Sony—"has unlawfully and intentionally interfered with the contractual and advantageous business relationships" of either MCA or Disney, which both produce movies and tv programs.

While attacking several claims by MCA and Disney, Judge Ferguson left open several important areas for possible future legal and legislative consideration.

Specifically, he noted that neither pay nor cable television stations are affected by this decision. He also said he wasn't ruling on tape duplication, or off-the-air recording by individuals or groups for use outside the home.

At the same time, the judge ruled against MCA and Disney contentions that retail stores are infringing copyrights when they record segments of shows off the air, and when they play these recordings during a sales demonstration. "The facts supporting these allegations are weak," he wrote.

To further support its copyright charges, the plaintiffs' law firm had hired a private investigator to visit several retailers. While the investigator did not request a specific program for taping or a specific length of recording, he did pose as a potential customer and request a demonstration of a Sony Betamax videocassette recorder/player.

The judge ruled that demonstrations of the videocassette systems' capabilities by retail stores is "fair use" and does not infringe copyright laws.

Pointing out that there is no precedent for suing retail stores for displaying public television tuned to copyrighted programs, and that "plaintiffs do not complain here about this aspect of the retail defendants' activity," the judge called MCA's and Disney's claims against retail stores "novel."

To appeal decision

Shortly after the judge rendered his opinion, Stephen Kroft, MCA and Disney attorney, said the two companies will appeal the decision.

When the suit was filed in November, 1976, MCA and Disney claimed the video recorders violated copyright laws and would seriously affect their future earnings. After turning away the plaintiffs on the copyright question, the judge wrote that both MCA and Disney "conceded that neither the sale nor the use of (Sony's) Betamax tapes had by the time of trial caused Universal (an MCA subsidiary) or Disney any measurable monetary damage, economic loss or revenue loss."

The judge also commented on claims by MCA and Disney that video recording would cut into tv viewing. He said that people would "rearrange" their viewing hours and that "Betamax owners will play their tapes when there is nothing on television they wish to see and no movie thay want to attend."

Retailer defendants in this case were Carter Hawley Hale Stores, Associated Dry Goods Corp., Federated Department Stores Inc. and Henry's Camera Corp. Doyle Dane Bernbach Inc., Sony's advertising agency, and William Griffiths, a consumer whose sons had purchased a Betamax at a Henry's Camera store, also were defendants.

In one of his final comments in this 102-page opinion, Judge Ferguson said "this court does not minimize plaintiffs' concerns. The new technology of videotape recording does bring uncertainty and change which, quite naturally, induces fear. History, however, shows that this fear may be misplaced."

The judge went on to point out that Lewis Wasserman, chairman of MCA, during the trial, himself observed that "People that have constantly forecast the doom of a particular industry in the entertainment industry (such as the doom of radio stations when tv began to develop) have historically been wrong."

Judge Ferguson wrote, "The ramifications of this new technology are greater than the boundaries of this lawsuit. A court reviewing the limited claims of specified parties in a particular factual setting cannot and should not undertake the role of a government commission or legislative body exploring and evaluating all the uses and consequences of the videotape recorder." —*Ron Schneiderman*

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Butch Cassidy and the Sundance Kid**	N	1
2. **Patton**	2	13
3. **Saturday Night Fever**	27	4
4. **M*A*S*H**	3	13
5. **The Sound of Music**	1	8
6. **The Godfather**	30	4
7. **French Connection**	7	13
8. **The African Queen**	10	4
9. **The King & I**	8	13
10. **The Godfather II**	N	1
11. **The Graduate**	5	10
12. **Hello Dolly**	4	13
13. **Looking for Mr. Goodbar**	N	1
14. **The Man Who Would Be King**	11	12
15. **Tora! Tora! Tora!**	12	13
16. **Carnal Knowledge**	13	10
17 **Papillon**	9	11
18. **The Longest Day**	15	13
19. **A Touch of Class**	19	4
20. **A Man and a Woman**	20	9
21. **The Dutchess and the Dirtwater Fox**	N	1
22. **The Lion in Winter**	16	8
23. **The Day the Earth Stood Still**	33	7
24. **King Kong**	44	10
25. **Mighty Mouse**	32	10
26. **Citizen Kane**	28	11
27. **Wild Geese**	6	9
28. **Barbarella**	N	1
29. **Murder on the Orient Express**	N	1
30. **Love Story**	N	1
31. **Von Ryan's Express**	25	13
32. **Fantastic Voyage**	37	13
33. **The Day of the Dolphin**	40	7
34. **The Hustler**	36	8
35. **Night of the Living Dead**	38	5
36. **Bruce Lee—Super Dragon**	14	11
37. **In Praise of Older Women**	N	1
38. **The Sailor Who Fell From Grace With the Sea**	17	8
39. **Doctor Dolittle**	35	12
40. **The Hot Rock**	41	11
41. **Tunnel Vision**	23	5
42. **Gunga-Din**	39	5
43. **Paper Chase**	24	11
44. **Blue Hawaii**	46	13
45. **Flash Gordon Conquers the Universe**	N	3
46. **Voyage to the Bottom of the Sea**	29	7
47. **The Beatles at Shea Stadium**	31	8
48. **Those Magnificent Men in Their Flying Machines**	N	12
49. **The Betsy**	18	11
50. **Elvis Presley in Concert**	21	4

Videodiscs seen no threat to VCRs despite continuing 'amazing' sales

Videodisc sales continue to be nothing short of "amazing," "astonishing" and "astounding," according to the handful of dealers who merchandise them.

Despite the rave reviews, they are not a threat to videocassette systems sales, at least not yet. Indeed, these retailers note that most purchasers of the videodisc systems already own a videotape player and are even buying the newer versions for more flexibility and variety, indicating—not surprisingly—that the people buying the disc systems are essentially the same people who are among the first to acquire VCRs—generally upper income consumers.

The Atlanta and Seattle stores handling Magnavox's MagnaVision videodisc system, and others who have conducted in-store demonstrations of the Universal-Pioneer industrial model in preparation for U.S. Pioneer Electronic's entry into the consumer videodisc market, based on their experience to date, couldn't be higher about the ongoing viability of the tape systems.

"The videodisc is certainly not a threat to the success of the videotape recorder," said Jack Rigby, president of Allen & Bean, one of the Atlanta stores selling the Magnavox unit.

"I'm also very pleased by the continued local support for the videodisc. There were a great amount of out-of-staters who bought the first units. But now we've been getting a fine turnout from the city residents for the disc. We're very pleased," Rigby added.

Another positive step has been the improved availability of the software. Although not totally pleased with current allocations, dealers are reporting longer lists of discs ready to sell.

"We will be investing heavily in both the hardware and software during the fourth quarter," George Hunter, general video manager, Doces Furniture Store, Seattle, indicated.

"We've been getting videodisc software orders anywhere from $20 to $1,000. We pretty much have all the titles and plan a big disc season in the next two months," Hunter reported.

Hunter will also be stressing the extra feature of the disc as an audio turntable. He predicted that with its better audio performance, the disc player could be an alternative to a high-end turntable.

Bon Marche, the Seattle-based department store, has also been happy with the videodisc's sales

(Continued on page 78)

Retail Opinion File

Dealers fighting back against cost squeeze

How are store owners and operators adjusting to today's business climate?

Well, they're not sitting still, according to *Merchandising*'s most recent national Retail Opinion File survey. Many retailers have cut store hours in recent months, adjusted their advertising and promotional budgets to better fit their needs, and they're moving and expanding to accommodate more display space and to handle more products—usually to improve the mix.

Even though our survey questionnaire didn't make a single reference to store expansion, many respondents volunteered that they had added display space within their stores or moved to a new location to gain selling space or cut costs.

To the general question, "What's the biggest change you've made in your store's operation in the past six months?," one dealer wrote: "We moved to a new location. It's larger with better traffic and higher class clientele."

To the same question, an appliance/tv dealer responded: "We moved to a different location. The rent is $500 less than where we were."

Another dealer: "We moved from a downtown location to a shopping plaza."

An electronics specialty shop owner noted that he built an addition on to his store. And a tv dealer said that he increased his floor display area by renting a vacant store next to his present store.

"Added 45,000 sq. ft. of selling space," an unidentified department store respondent wrote. Another electronics specialist indicated that his store's retail sales area was expanded by 1,250 sq. ft. recently to accommodate video products.

Others have taken equally dramatic measures.

"I added a lady salesperson," a dealer wrote in bold script.

"I'm by-passing my distributor and buying direct to get better pricing." That and similar comments came from several retailers.

"We got rid of all the suppliers who didn't back us or their product, i.e., those who merely want us to buy their product and promptly pay their bill and don't give us any service," an audio/hifi specialist noted. "We reduced the number of suppliers which helped cash flow and profits to go up," he added.

Still others have made adjustments in their delivery and service programs.

One dealer told us that he now insists on a deposit on items brought in for repair. Another offers a discount to customers who arrange their own deliveries. "You'd be surprised how many people can find a friend or neighbor to help with a pick-up for a small discount," he wrote.

A car stereo specialist says he's decided to expand into commercial and industrial communications products and services.

Fully 25% of the respondents to the survey indicated they had changed their store hours recently with 27% stating they've gone to longer hours and 72% shorter (1% did not say how).

Specifically, an appliance/tv store owner noted that he had discontinued staggered hours in favor of staying open 40 hours with everyone working full time.

"We shortened our hours for the summer and found we did as much business as before," a retailer who identified himself as a tv/stereo sales and service shop told us.

Another department store respondent said he's installing a computer just to handle accounts receivable billings.

Perhaps as a reflection of the times (less impulse buying, less driving around), an appliance dealer told us that casual shopping has decreased in his store. "About 80% of the shoppers looking for a product I have to sell end up buying from me rather than 30%-40% in years past."

Interestingly, 35% of the respondents indicated they're doing more business by telephone, although several dealers said they only accept orders from people they know, such as regular customers.

None of the 14% of the retailers who indicated they are not following federal guidelines on store temperature settings (see questionnaire) explained why.

Due to the higher cost of gasoline, one dealer has dropped his flat service call rate and now charges separately for labor and the service call.

Another retailer says he changes his window displays more often, "which is a job."

Not surprisingly, quite a number of retailers stressed that they're now watching inventories much more closely than they ever have. The same holds true with credit.

"I have reduced my inventory and added more quick moving, high profit items," one merchant wrote. "We must stay flexible and be ready to change to take advantage of all sales and profit possibilities."

Advertising is another area in which significant charges have occurred and many retailers indicated they're either spending more or less to fit their own needs or desires.

Finally, a dealer who says he sells appliances and a wide variety of audio/hifi and other electronic products, pointed out the importance of sales training. "Our salesmen are properly informed and are prepared to demonstrate all of our products. We have to remember that our customers have probably been shopping somewhere else." •

QUESTIONNAIRE

Have you recently changed your store hours?
Yes: 25% No: 75%

If so, are they longer or shorter?*
Longer: 27% Shorter: 72%
*1% did not indicate

Are you experiencing more cash sales currently than you were six months ago?
Yes: 50% No: 50%

Was your September-October advertising and promotional budget higher, lower or about the same as this period last year?
Higher: 27% Lower: 19% About the same: 54%

Will you spend more, less or about the same for advertising in the fourth quarter (Sept.-Dec.) this year than you did in the same period in 1978?
More: 34% Less: 16% About the same: 50%

Do you have less, more or about the same number of employes today than you had six months ago?
More: 15% Less: 19% About the same: 66%

Are you following the President's guidelines on store thermostat settings?
Yes: 86% No: 14%

Do you quote price on the phone?
Yes: 79% No: 21%

Do you accept telephone orders?
Yes: 87% No: 13%

If you accept telephone orders, have you found this aspect of your business to be increasing?
Yes: 35% No: 65%

formerly Merchandising Week
A GRALLA PUBLICATION
DECEMBER 1979

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

C 4200-1

59-A 8006 UL
ACQ EDITOR
CONGRESSIONAL INFO SVC
7101 WISCONSIN AVE
WASHINGTON DC 20014

Fourth Annual
Retail Hifi Breakout
0 Prerecorded
assettes
How Retailers
Target 1980

BEST AVAILABLE COPY

Formerly Merchandising Week

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

December 1979

4th Retail Hifi Breakout

The bottom didn't exactly fall out of the hifi market in 1979, but it wasn't one of the industry's better years.

Sales of branded hifi components dropped to an estimated $2.166 billion, off about 2% from 1978 total U.S. retail sales figures, reflecting what many manufacturers' reps have charitably described as "soft" business during the year.

This state-by-state analysis is based on interviews with reps and manufacturers' data.

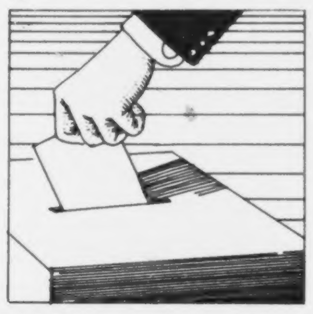
14

Retailers Target 1980

If dealers of consumer electronics, major appliances and housewares have learned anything from the business vagaries of 1979, it appears to have been caution. It shows in this month's RETAIL OPINION FILE survey.

Last year, an exuberant 81% of the respondents to *Merchandising's* annual survey on sales goals said they expected volume increases over 1978. This year, a more conservative 53% are anticipating gains for the year ahead.

Moreover, more retailers look for a drop in sales in 1980, with an even higher number anticipating no change in volume over 1979.



46

Trendings

6

Not surprisingly, buyers are betting on basics to make this a merry holiday season in electric housewares. In nonelectrics, it's stainless steel and SilverStone-coated skillets or saute pans.

Major appliance retailers, meanwhile, are winding up a year that most are finding better than expected.

The electronics story, of course, is a little mixed—video somewhat better than audio—but no matter what the product category, the more features, the merrier.

Prerecorded Videocassette Report

That the home video market has dropped some of its technological orientation and is going show biz is increasingly evident, and consumers' awareness of new products grows. New entrants into the market, new programs, a lot more advertising and promotion are all part of what's in progress in prerecorded video today.

The volatility of the market is evident in this month's Top 50 chart: "M*A*S*H" and "Patton" are back on top again.

31

Store Operations

50

Acceptance of third-party credit cards is increasing among retailers.

In fact, the most spectacular gains in the acceptance of third-party credit cards was registered by the $1 million to $2 million department stores: From 3.63% of sales to 18.5%, according to the National Retail Merchants Assn.

Also, both stock turns and pre-tax earnings as a percentage of sales showed declines in 1978 vs. 1977.

Happenings

- The car stereo industry is looking to new product designed for compact cars to provide a sales lift to 1980, after what many executives called a "flat" '79. In addition, the accessories segment of the industry is encouraged by what seems to be a developing "boomlet" in vehicle security devices, spawned by the rise in car thefts........55
- On the housewares side, National Housewares Manufacturers Assn. managing director Ron Fippinger says his trade group is looking for sales this year to top $15 billion, or a three-fold increase from 1969 when volume totaled nearly $5.5 billion........54
- Less heartening, the National Assn. of Home Builders has warned that the credit-tightening moves by the Federal Reserve Board will cause another housing collapse, not very good news for major appliance manufacturers........52

Pre-Conventions

If January is anything in our industries it is, above all, the month of conventions, shows and seminars.

Here, *Merchandising* reports in brief the views of key association executives as they prepare for one of their biggest months, and perhaps one of their most difficult years.

51

From the Capital

A major change in manufacturer-distributor relationships could stem from a recent decision of the U.S. Supreme Court.

4

Product Picture

Electronics............34-39
Housewares...........40-41
Major Appliances.44-45

Coming in January

★ ***Overviews of all the key housewares and consumer electronics product categories, Retail Opinion File, expanded Product Pictures, Trendings, Prerecorded Videocassette Report and more.***

A GRALLA PUBLICATION
VOL. 4, NO. 12 DECEMBER 1979

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)

Editor..................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Jim Schneider
Assistant Editor............Joyce Jarcho
Field Editor.........Stephanie Azzarone
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
...........................Susan Benvenuto
Assistant Production Manager
....................................Vicki Lauro
Circulation Director....James Fischer
Circulation Manager............Lisa Hoff
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3601 W. Devon Ave., Chicago, IL 60659
Tom Galligan (312) 588-7622

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

U.S. HIFI RETAIL SALES

Sales of branded high fidelity components dropped this year to an estimated $2.166 billion, a 2% decline from last year's $2.206 billion, reflecting what many reps and some manufacturers have charitably referred to as frequent periods of "soft" sales.

The larger volume states, such as California and New York, were particularly hard hit, actually losing market share nationally.

Despite inflationary pressures to boost or even maintain certain price points, sales ended up flat at best in many regions and were up only marginally in others as the year came to a close. In fact, some increases are due only to higher prices. A few areas did report good growth, however.

This report, including a state-by-state anlysis and lists of leading retailers in each state—retailers considered factors in their local markets—is based on extensive interviews with manufacturers' reps across the country, as well as data from manufacturers.

4th ANNUAL RETAIL

SLIP TO $2.166 BILLION

State-by-State Retail Sales

State	$ Volume (in millions)	% of National Total
1. California	364	16.8
2. New York	334.4	15
3. Illinois	163	7.5
4. Minnesota	88	4.1
5. Pennsylvania	83.7	4
6. Ohio	81	3.7
7. New Jersey	78.7	3.6
8. Texas	78.5	3.6
9. Michigan	75	3.5
10. Virginia	70	3.2
11. Washington	60	2.8
12. Colorado	59	2.7
13. Wisconsin	56	2.6
14. Florida	50.2	2.3
15. Georgia	39.8	1.8
16. Massachusetts	38.8	1.7
17. Oregon	37	1.7
18. Missouri	35	1.6
19. N. Carolina	34	1.6
20. Indiana	29.4	1.4
21. Arizona	29	1.3
22. Louisiana	27.7	1.3
23. Oklahoma	24.5	1.1
24. Connecticut	24	1
25. Maryland	18.6	0.9
26. Tennessee	15.5	0.7
27. D.C.	12.7	0.6
28. S. Carolina	12.2	0.6
29. Kansas	11	0.5
30. Utah	11	0.5
31. Kentucky	10.2	0.5
32. Alabama	10.1	0.5
33. Delaware	10	0.5
34. Arkansas	9.5	0.4
35. Mississippi	9	0.4
36. Hawaii	8.6	0.4
37. Alaska	7	0.3
38. New Mexico	6.7	0.3
39. Iowa	6.5	0.3
40. Nebraska	6.5	0.3
41. W. Virginia	6.2	0.3
42. Nevada	6	0.3
43. Wyoming	4.4	0.2
44. Montana	4.2	0.2
45. N. Dakota	4.2	0.2
46. Idaho	3.3	0.2
47. S. Dakota	3.2	0.15
48. Rhode Island	2.8	0.1
49. Maine	2.5	0.1
50. N. Hampshire	2.5	0.1
51. Vermont	1.4	0.06
U.S. Total	***2.166 Billion***	

HIFI BREAKOUT

Retail Hifi Breakout

New England

CONNECTICUT

1979 volume: $24 million
% of national total: 1

Dollar sales of branded hifi components in the Constitution State are seen flat this year. However, regional reps contacted agreed that unit sales were up in the state.

In a reaction to heavy inventories, some manufacturers dropped dealer costs and retailers responded with many price promotions.

For example, one rep pointed out that Pioneer "blitzed the whole area." They offered special terms, prices and co-op programs. Other manufacturers, such as Sansui and Technics, were quick to follow with similar programs.

Unitwise, it was a good year for low- and middle-end hifi. Contributing to this increase is the growing number of dealers and retail outlets in the area. Three that have definitely joined the rank of "leading retailers" are Absolute Audio, Sound Playground and Sounds Alive. Music Systems Ltd. in New Haven is doing very well, merchandising high-end components.

According to one rep, "Connecticut will grow a lot faster than the other New England states. Five years from now I see it doing the biggest volume in the area."

Of private label dealers, such as Sears, Penneys and Radio Shack, the latter is the closest thing to being a factor at the present, but is still not considered among the influential merchandisers in Connecticut.

LEADING RETAILERS

Absolute Audio
Audio Den
Audiotronics
Beck & Quint
Brands Mart
Caldor
East Coast Audio
G. Fox & Co.
Hale Electronics
Karston Studios
Krasco
Fred Locke Stereo
Sound Playground
Sounds Alive
Tech Hifi
Tech Stereo

MAINE

1979 volume: $2.5 million
% of national total: 0.1

While unit sales of branded hifi components are projected perhaps 5% ahead, regional reps see dollar volume remaining even with 1978.

As one rep put it, "Mainers are very conservative and at least several years behind the rest of the country."

Much of this year's business was spurred by price promotions offered by dealers passing lower supplier tags along to consumers.

Another rep attributed the slow growth of hifi component sales here to "too few dealers doing too little advertising, resulting in little consumer awareness."

New England Music was cited as the "most active" dealer in the Pine Tree state.

LEADING RETAILERS

De'Orsey's (Commercial Distributors)
New England Music
Frank Pomerleau's
Radio Shack
Service Merchandise
Sound Cellar
Stromboli's

MASSACHUSETTS

1979 volume: $38.8 million
% of national total: 1.7

Despite a drop in dollar volume, the Bay State is far and away the leader in selling hifi in New England.

Here, too, the dollar decrease reflects lower prices on a number of makes and models. Summing up the positive, regional reps forecast that looked at in units, hifi component business will be "very good this year." Unit increases are projected ahead 7-10%.

The growth of hifi sales in Massachusetts is due to student turnover, which one rep called "tremendous."

Another noted, "At the opening of school there was a bit of a flurry in sales, especially the lower and medium-price systems."

No matter which end of the price spectrum is selling, or when, the student population is the main support of hifi business here.

The impact of private label and mass merchandisers is now a definite factor in the state.

According to one rep, the future of low- and medium-priced hifi is with stores such as Radio Shack, Sears, Penneys, Caldor and Jordan Marsh. "These are the components that make up systems ranging from $300-$700. High-end systems will stay with independent dealers."

He pointed out, and other reps concurred, that few of the dealers dependent on high-end sales will be able to stay in business, yet, one that is doing very well with this category—new to this year's list of leading retailers—is Music Systems Ltd.

Del Padre's joins the list as an independent and Jordan Marsh as a mass merchandiser. Value House is now Service Merchandise and Cramer Olson has become Olson Electronics.

LEADING RETAILERS

Audio Designs
Consumer Audionics
Del Padre's
Ear Drum
Hifi Buys
Jordan Marsh
K & L
Lechmere Sales
Music Systems Ltd.
Nantucket Sound
Olson Electronics
Tweeter (New England Audio)
Radio Shack
Service Merchandise
Sound II
Tech Hifi

N. HAMPSHIRE

1979 volume: $2.5 million
% of national total: 0.1

Paralleling a slowdown in population growth in the Granite State, dollar sales of branded hifi components are forecast slightly down from 1978.

A secondary factor that may have affected the hifi market here was the gas crunch in the spring. A regional rep indicated that dealers, anticipating fewer summer residents, kept inventories low, buying mostly "good deals."

The only new retailer becoming a "leader" in the field this year is Cuomo's. This is a far cry from the 15-20% increase projected last year to come from new dealers moving into the state.

This didn't materialize due in part to the success of Radio Shack. Most reps contacted pointed out that the aggressive promotions of Radio Shack discouraged smaller dealers from entering the market here as well as in other parts of New England.

Of the independents, Tech Hifi, Tweeter and Cuomo's are cited by regional reps as the "most powerful" retailers of branded hifi components in the state.

LEADING RETAILERS

Audio of New England
Cuomo's
Lechmere Sales
Manchester Music
Radio Shack
Service Merchandise
Spectrum Sound
Tech Hifi
Tweeter

RHODE ISLAND

1979 volume: $2.8 million
% of national total: 0.1

Little Rhody is showing up her sister states in New England with an increase in dollar sales of hifi.

In addition to more dealers in the state this year, one rep noted that Rhode Island had a smaller base to grow from. Two of the new dealers, Music Systems Ltd. and Tweeter, join the list of leaders.

For Music Systems Ltd. this is quite remarkable, as it just opened in early fall and sells only high-end hifi. According to several reps, they opened in the right neighborhood in Providence.

At the other end of the spectrum, Ann & Hope continues to lead in promotional low- and medium-price branded hifi.

LEADING RETAILERS

Ann & Hope
Apex
Audionics
Brands Mart
Music Systems Ltd.
Save-Rite
Tech Hifi
Tweeter

VERMONT

1979 volume: $1.4 million
% of national total: 0.06

For a state "not doing enough business in hifi to pay for the gas it takes any of us to go over there"—according to a regional rep—Vermont is seen slightly ahead of 1978 in dollar sales.

Unit sales are seen ahead 8-10%. Much of this increase is coming from three additions to the leading retailers list—Electronic Lab, Ormsby's and Sound Directions. Service Merchandise, formerly Value House, is stimulating business, too.

As one rep pointed out, "I think the lower prices and programs on some branded components helped. Dealers were able to do a lot of promoting and advertising."

While the gas crunch may have held hifi sales down temporarily last spring, regional reps feel it actually spurred sales here. Residents of the Green Mountain State are primarily younger people. They want their sound systems in good working order should another gas situation and/or a snowy winter keep them home-bound.

LEADING RETAILERS

Audio Den
Creative Sound (I.E.S.)
Dartmouth Audio
Electronic Lab
Great Northern Stereo Warehouse
Ormsby's
St. Albans Appliance
Service Merchandise
Sound Directions
Tech Hifi

Middle Atlantic

NEW JERSEY

1979 volume: $78.7 million
% of national total: 3.6

Rocky econimic conditions in New Jersey hit the hifi business just a little bit harder than other sections of the country, regional reps note, although not as hard as it seemed would be the case, given the spring/summer slowdown.

All in all, it is estimated that hifi dollar volume slipped about 5%, while unit figures dipped somewhat lower. While inflation hurt the general economy and the consumer's ability to buy hifi, it also helped keep prices up.

Fewer units but better dollars was certainly the case in northern New Jersey, which most reps describe as an extension of the New York market. Southern New Jersey, influenced as it is by the Philadelphia area, did somewhat better, is the consensus.

Overall, the state is still a highly fragmented market, with no one dealer achieving truly dominant status. Perhaps that is the reason why New Jersey slipped a notch, from six to seven, in its national standing as a leading hifi market.

LEADING RETAILERS

Atlantis
Crazy Eddie
Fad
Drucker's
Monmouth Stereo
Sam Goody's
Sound Machine
Sound Reproduction
Sound & Sight
Stereo Circus
Stereo Wholesalers
Tech Hifi
Two Guys
U.S. Stereo
Woodbridge Stereo

NEW YORK

1979 volume: $334.4 million
% of national total: 15

The East Coast capital of high fidelity retailing took a beating this year not unlike its West Coast counterpart—California—albeit, not to the same degree. Sales were off in New York an estimated 5%, according to regional reps, and were it not for inflation-induced higher prices, dollar volume might have dropped still lower.

Hifi business was very spotty over the year, with strong months following slack months and back to strong in many parts of the state. Generally, retail sales were reported to be softer upstate compared with activity in the metropolitan area.

Although much of the advertising that appeared in newspaper advertising contained a price emphasis, price-cutting was far from universal. Many suppliers increased their tags in the wake of the soaring yen rate in the early part of the year, and retailers found they could stay with them and still remain competitive. Better-featured product was not that difficult to move, reps report. In fact, in some instances, there was an upsurge in high-end merchandise.

Despite the slowdown in hifi business in some quarters and the tougher battle to get that business, overall the picture was brightened by the entry of some small retailers. Most of these new operations were not overnight successes (and none entered the list of "leading retailers"), yet the overall effect was a net gain in volume.

In the suburbs and upstate, the spring gasoline crunch hurt, as did the psychological effect of all the publicity given the "imminent" recession. Nevertheless, the metropolitan area (which frequently includes parts of New Jersey and southern Connecticut) flourished in the main. Attesting to this is the fact that Crazy Eddie, one of the dominant dealers in the region, continued to add stores.

A growing factor is JC Penney which pulled out all the promotional stops at varying times during the year. Penneys, however, with its private label merchandise, has not yet reached the level of Radio Shack with its 200 units in the metro area, 17 in Manhattan alone.

Department stores, too, especially upstate, continued to strengthen their efforts, particularly in mid-priced systems. Macy's, which almost dropped out of the business as a result of a fire in its headquarters unit, came on strong in the latter part of the year, both downtown and in several of its branches. Dey Bros. in Syracuse, Sibley's in Syracuse and Rochester, and Adam, Meldrum in Buffalo also made their mark during the year.

Although behind the pace set in 1978, New York managed to produce its bright spots. "Not good, but not bad either," as one rep put it.

LEADING RETAILERS

Adam Moldrum & Anderson
Borger's
Brands Mart
Bryce Audio
Crazy Eddie
Dey Bros.
Freindly Frost/Churchill
Gordon Electronics
Harrison Radio & Stereo
Harvey Sound
Hyatt Audio
Leonard Radio
Liberty Music
Macy's
Metro Electronics
Newmark & Lewis
Rabson's/Audio Warehouse
Radio Shack
Sam Goody's
Sibley's
Tech Hifi

PENNSYLVANIA

1979 volume: $83.7 million
% of national total: 4

Hifi business in Pennsylvania has been good, if not great this year, area reps report.

Supported by a mixed economic base—part industrial, part service and part agricultural—conditions have been pretty much in line with the rest of the country. Although the oft-predicted recession has not yet hit the Keystone State, business has slowed and with it, hifi activity has softened.

Again, inflation has been affecting everything and everybody, which means hifi sales for 1979 are up in dollars—3-5%—but down in units.

Despite the apparent modest improvement in dollar volume, what business there has been has been hotly fought for. Highly aware of the bargain-conscious consumer, the larger hifi dealers have used price promotions heavily; smaller operations simply could not afford to follow suit, and some were hurt as a result. Exceptions were those few retailers with well-established reputations who did well at the high end.

Although competition was keener than ever this year, there were perhaps more new entries to the "leading retailers" lists than dropouts, according to reps.

In the vigorously contested Philadelphia market Wall-to-Wall Sound and Silo's Audio World were still locked in a fight for dominance. In the meantime, Listening Booth became a significant factor, while Tech Hifi departed the scene.

Another new factor in the state is reported to be Best Products, a catalog showroom operator.

LEADING RETAILERS

Appliance City
Best Products
Campus Stereo
High Fidelity House
Kaufmann's
Listening Booth
Mace
Opus One
Silo's Audio World
Sound World
Stereo Equipment
Stereo House
Wall-to-Wall Sound
Wander Sales

Private label merchandisers growing stronger

A quick glance at the list of "Leading Retailers" in this report should be the first indication of just how far Radio Shack and JC Penney have come with their respective Realistic and Modular Component Systems private label hifi lines in the past year: They're mentioned as "factors" in most areas by manufacturers' reps—far more frequently than they were in last year's state-by-state hifi breakout.

Sears, still the biggest retailer around with a private label hifi line, doesn't show up at all in the survey.

That Radio Shack, in particular, should be mentioned so often by reps as doing a "good job" can hardly be a surprise to anyone who follows the hifi market or the company. According to knowledgeable sources, Radio Shack may easily account for 12% of the total U.S. hifi components market—branded and private label good combined. At least one source who has worked closely with Radio Shack's audio/hifi operation believes its penetration is even greater.

One point of reference: Radio Shack's own marketing department, which includes a market research function, estimates that the company is the national leader in speaker systems unit sales.

Further evidence of Radio Shack's success in the market is that it ranked seventh in *Merchandising's* 7th Annual Consumer Survey (Oct., 1979) when consumers were asked what "brand name" came to mind first when they thought of component high fidelity.

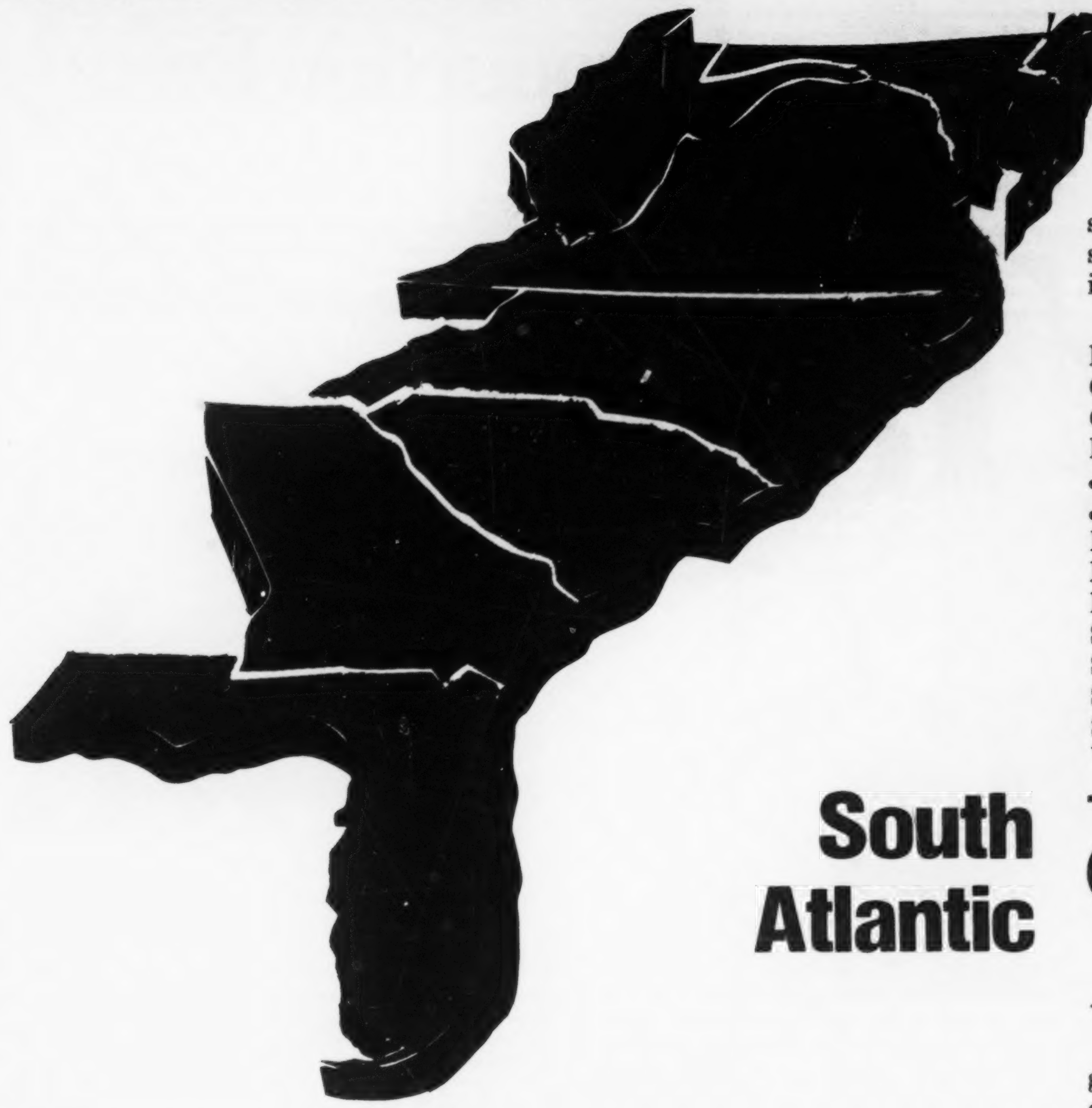
No one really has a good handle on just how well Penney is doing, although many hifi executives continue to be impressed with the depth of Penney's product sourcing and its advertising expenditures. The marketing vice president of one of the biggest company's in the business recently took the trouble to calculate what he thought Penney was averaging per store in hifi sales volume and multiplied that estimate by the number of Penney units selling the MCS line. "What I came up with," he said, "is that Penney is doing in just over two years what it took U.S. Pioneer four years to achieve."

Adding to their credibility, both Radio Shack's Realistic and Penney's MCS lines have received generally high marks in the past year in product reviews in consumer high fidelity magazines, leading sources of information on hifi products.

Much of the Radio Shack and Penney success stories are due to heavy advertising and promotion. Both have used national and local spot television and Radio Shack, in particular, has been pounding away with an ongoing campaign of newspaper ads. In addition, both operations have been using national, general-interest consumer magazines to promote their hifi products. Indeed, Penney has outspent U.S. Pioneer, the proverbial industry big spender in national advertising, during extended periods in the past two years, sources report.

Neither retailer is bashful about price promotions. Half-price sales aren't unusual for Radio Shack, and Penney has had good success with its "Now You Don't Have to Pay Through the Nose to Please Your Ears," ad blitz.

The consensus among reps is that these two massive merchants will become stronger unless independent retailers and others take steps to keep their branded products out front—and they won't be able to do that with price competition alone. •



South Atlantic

DELAWARE

1979 volume: $10 million
% of national total: 0.5

Inflation rather than improved business is given as the prime reason for Delaware's estimated 5% increase in hifi sales. It's the dollars, not the units, that will push 1979 volume over 1978 levels, most reps agree.

Little changed from last year, the local market is still made up mainly of consumers interested in high-end componentry and those who shop hifi on a price-only basis. There was little activity in the mid-price ranges, reps declare.

Out-of-state merchandisers still dominate Delaware's hifi scene, with specialists and catalog showrooms claiming the largest market shares. An exception, reps say, is Sound Studio, the very aggressive Delaware-based independent.

Up-and-coming as hifi factors are Radio Shack and J.C. Penney; some reps say between them both they could "own" as much as 15% of the local market.

LEADING RETAILERS

Basco
W. Bell
High Fidelity House
JC Penney
Radio Shack
Silo's Audio House
Sound Studio
Stereo Discounters
Wall-to-Wall Sound

D. OF COLUMBIA

1979 volume: $12.7 million
% of national total: 0.6

The hifi business in Washington, D.C. this year has been good, most reps say, but nothing compared to last year. Although the federal government is the largest employer in town, consumers were troubled by the same concerns as elsewhere in the country: Inflation, gasoline shortages, uncertainties about the economy, etc. Nevertheless, hifi sales are still expected to wind up the year on the plus side—as much as 5% ahead.

On the positive side, reps say, are the growing number of college students in the area, as well as the generally high per capita income.

Of especial interest to the hifi scene has been the upgrading that seems to be the trend here. Those who are buying hifi are going for higher-end merchandise, and bigger tickets overall.

Although specialty stores still dominate the market, appliance/tv dealers are said to be making inroads using price and service for their promotional thrust.

LEADING RETAILERS

Atlantis
Audio Associates
Audiocrafters
Audio Buys
Circuit City
Contemporary Sound
George's
German Hi-Fi
Luskin's
McGuire's Audio
Myer-Emco
Reliable Home Appliances
Shrader's Sound

FLORIDA

1979 volume: $50.2 million
% of national total: 2.3

Florida broke the $50 million sales volume mark this year after what was considered to be a very good 1978.

Although specialists continue to account for most of the hifi business throughout the state, the big news this year is the expansion of catalogers and department stores.

Best Products has just emerged in this marketplace as a factor in hifi componentry, along with such mass merchandisers as Burdine's, Jefferson Stores, Maas Brothers and Gold Triangle.

Radio Shack and JC Penney continue to make their mark with quick-hit price-oriented sales.

The two leading specialists in the state, according to reps, are Hi-Fi Associates and Sound Advice. But smaller, one-store operations are coming on strong in all parts of the states.

LEADING RETAILERS

Burdine's
CMC
Gold Triangle
Hi-Fi Associates
JC Penney
Jefferson Department Stores
Luskin's
Maas Brothers
Radio Shack
Sound Advice
Sounds Unlimited
Stereo Town
Stereo World
Wide World of Sound

GEORGIA

1979 volume: $39.8 million
% of national total: 1.8

Georgia's tremendous industrial growth last year, which brought lots of discretionary money into the state, has ebbed. One result, reps note, has been a more modest, steady increase in high fidelity revenues—on the order of 10% this year, compared with 1978's robust 20%.

Atlanta still remains the hifi capital of the state, although good business has been reported in some of the smaller cities, especially campus towns.

Purveyors of hifi merchandise are divided among specialty outlets, catalog showrooms and department stores, albeit not in equal parts. Still dominant are the specialty operations, doing especially well in the Atlanta area catering to the "carriage trade" high-end shopper. Specialists are also successful, reps say, in the smaller towns of the state.

Another factor sure to demonstrate increasing influence is Pacific Stereo, which recently arrived on the scene. Their promotional muscle and savvy are due to have ever-growing impact on the market.

Still other retail elements growing at the expense of specialists are catalog showrooms and department stores. Rich's and Davison's, in downtown Atlanta as well as in suburban malls, are showing strength. And new cataloger entries, such as Service Merchandise, are also staking claims to market share with heavy price appeal.

LEADING RETAILERS

Audio Outlet
CMC
Davison's
Fat Julian's
Hi-Fi Buys
High Fidelity SSS
Norwood's
Pacific Stereo
Rich's
Service Merchandise
Stereo Village

MARYLAND

1979 volume: $18.6 million
% of national total: 0.9

A broadening high fidelity retail marketplace contributed to a steady, low-key growth in sales volume in Maryland. This, despite some heavy and ongoing promotions by many dealers, particularly those in the Baltimore-Washington, D.C. area.

Stores springing up across the state, not only in the Baltimore metropolis, included audio/video specialists, catalog showrooms, electronics chains (including more Radio Shacks), Lafayettes and mass merchandisers, all handling hifi to some extent.

Also included as strong promoters are the mail order operators and a few department stores.

Maryland shoppers are concerned about escalating energy costs, area reps report, resulting in a more prevalent stay-at-home attitude, with local dealers being the prime beneficiaries.

As in most areas, price remains the number one selling tool for hifi.

LEADING RETAILERS

Audio Associates
Custom Electronics
Golden Ear
Gordon Miller Music
Gramaphone
Harmony Huts
Hecht Co.
JC Penney
Lafayette
Luskin's
Radio Shack
Sight & Sound
Soundscape
Sound Studio
Stereo Land

N. CAROLINA

1979 volume: $34 million
% of national total: 1.6

It's been a soft year for high fidelity in the Tarheel State, due primarily to the depressing effects of a generally inflation-plagued economy, electronics reps report. Sales, measured by inflated dollars, held up better, of course, than unit sales.

Nevertheless, reps note that North Carolina is not a price-dominated market. Higher-ticket merchandise is generally the most successful, and consumers respond very well to feature- and quality-oriented promos.

Without a central business focal point, the state's main markets are four in number: Charlotte; High Point/Greensboro; Raleigh/Durham/Chapel Hill, and the region stretching along the east coast.

Hifi specialty retailers have taken firm command of the market, according to a rep consensus, three of whom are rated as dominant: Todd's Stereo, Treyer Yelverton and Woofer & Tweeter.

Also making their presence felt on the hifi scene are two catalog showroom operators—Best Products and Service Merchandise.

Harvey's Warehouse, once considered an influential hifi merchant, has lost ranking, some reps say, as have other independent specialists. But still other independents have taken up the slack, yielding little market share to different types of outlets.

LEADING RETAILERS

Audio Systems
Audio Video Concepts
Back Stage Sound
Best Products
Eddie's Music

Kelly Appliances
Service Merchandise
Sight & Sound
Stereo Sound
Stereo Village
Todd's Stereo
Treyer Yelverton
Woofer & Tweeter
World Electronics

S.CAROLINA

1979 volume: $12.2 million
% of national total: 0.6

The tempo of 1979 hifi sales in this state was not unlike that of its sister state to the North: Soft, but not calamitous.

A group of small and aggressive high fidelity specialists continues to dominate the South Carolina marketplace. Such names as Itchy's, Kelly Enterprises, Stereo Showcase and Audio Systems were cited by a majority of the sales reps contacted.

Other factors on the hifi scene include the Sam Solomon Co. catalog showroom operation and the Lafayette chain. In addition, independents on college campus sites, mainly single-unit specialists, are also said to be faring well.

The pressures of the relatively soft economy, however, took their toll. Other one- and two-store hifi independents slipped in ranking, if they did not depart the scene altogether.

LEADING RETAILERS

Audio Systems
Hi-Fi Sound & Record Center
Itchy's
Kelly Enterprises
Lafayette
Sam Solomon Co.
Stereo Showcase

VIRGINIA

1979 volume: $70 million
% of national total: 3.2

Virginia's consumers have been buying hifi at a relatively slower pace this year, and gains are more modest compared with the sizable increases of past years.

Richmond's business community and the naval installations in Norfolk are still providing most of the economic muscle for the state. Also important, say reps, are the college towns around the commonwealth where the smaller independents continue to do well.

The hifi dealer mentioned as the most innovative and aggressive is Best Products, a catalog showroom chain operation. On the other hand, Harvey's Warehouse, once considered an influential factor, has fallen in stature, reps assert.

Gaining market share this year have been Radio Shack and JC Penney. One rep declares that these two mass merchandisers could eventually account for as much as 20% of Virginia's total hifi business, if they don't already do so.

Wards Co., in the form of Circuit City and Dixie Hi Fi, is also considered to be a factor.

The status of other specialty operations has remained relatively unchanged, reps note.

LEADING RETAILERS

Atlantis
Audio Associates
Audio Center
Best Products
Gary's
JC Penney
Lakeside Audio
Leeds Music
Radio Shack
Ross Music
Wards Co.
Whitesell

WEST VIRGINIA

1979 volume: $6.2 million
% of national total: 0.3

Rebounding from last year's strike-plagued economy, West Virginia's high fidelity business is very much on the upswing with dealers working hard to make up for lost time.

Coming off what was considered a disastrous year (1978) for the business, reps indicate that it really wasn't difficult for the state's hifi merchandisers to come up with the kind of growth they experienced during the year. However, there was little expansion of existing dealerships and very few independents set up shop in the area this year.

Specialists tend to control much of the marketplace in the state. Emphasis on mid-priced and higher-end hardware helped boost volume. Also, reps have indicated that price resistance is lower in West Virginia than in many other areas.

LEADING RETAILERS

Electroloft
Mac & Dave's
JC Penney
Pied Piper
Sound Investments
Sound Post
Wheeling Sound

East North Central

ILLINOIS

1979 volume: $163 million
% of national total: 7.5

Illinois had a bad time of it this year in hifi with much of the market conditions beyond the control of many retailers.

A record snow accumulation all but obliterated the first quarter; then dealers faced a late summer, early fall slump; and even the expected fourth-quarter improvement seemed unlikely to bring the year's dollar volume up to year-ago levels, according to rep estimates.

As usual, heavy competition kept pricing down. JC Penney was cited by several reps as a strong price competitor. And Radio Shack, with some 100 outlets in the Chicagoland area, reportedly symphoned off audio and hifi sales at an increasing rate.

Musicraft, Pacific Stereo and Playback retain their status as the "Big Three" in hifi volume, and their influence extends across neighboring state borders, particularly in the case of Playback.

A recent opening by Musicraft of its seventh store, in suburban Arlington Heights, was one of the relatively few store additions this year.

United Audio Centers and Columbia Audio-Video each grew to four stores, mostly in the Chicago area, although Columbia's newest is in Rockford, the state's second city, 90 miles northwest.

Schaack Electronics and Alan Radio are multi-outlet operations that continue as factors.

Appletree Stereo, out of DeKalb, is an expanding chain, largely in college towns outside the major metro Chicago area, where its closest store is in far west suburb Naperville.

Team stores are active here, too, mostly in far suburban or rural areas.

Departed from the scene are Midwest HiFi, Chicago area chain, and Diener Stereo in Carbondale and Champaign, whose owner retired.

Aside from the specialty operations, Polk Bros., with its Chicago hardgoods chain strength, "moves quite a bit" of merchanidse, say reps, although its trade image is more midfi. Two catalog showroom chains, the local McDade's and out-of-state based Service Merchandise, are also not to be overlooked.

Department stores, like Marshall Field and Goldblatt's in Chicago; Bergner's in Peoria; the Charles V. Weise Co. in Rockford, while into audio, are not considered big in hifi.

There's been a lot of price pressure on name brands in the area. But at the same time, more business was being done on the higher end. As one source put it, "When you come into a recessive situation, the lead-off, $299-$349 packages don't sell in the quantities they normally do."

LEADING RETAILERS

Alan Radio
Appletree Stereo
Audio Consultants
Audio Video
Columbia Audio-Video
Good Vibes
Hi Fi Hutch
JC Penney
Kemper & Dodd
LaSalle Electronics
McDade's
Musicraft
Pacific Stereo
Playback
Polk Bros.
Radio Shack
Schaack Electronics
Service Merchandise
Team Electronics
York Radio

INDIANA

1979 volume: $29.4 million
% of national total: 1.4

It was a tough year for hifi in Indiana, a battleground between home-based and out-of-state chains.

Although a diversified economy helps provide a measure of stability, overall volume was off a bit, most reps indicated.

As one source commented on the competitive scene: "We have problems with estimating volume because of the large companies outside the state who sell a good bit of audio in Indiana." He cited such out-of-staters as CMC, Playback and Service Merchandise (the latter a catalog showroom operator) as being high fidelity factors, Woolco stores don't do much hifi componentry, but reps report that they take a lot of audio business out of the market.

Among the factors here in hifi are Dixie HiFi, based in Richmond, VA, and located in Indianapolis, the Sound Room, based in Michigan, with a store in South Bend.

JC Penney is a factor and home-grown Graham Electronics, an Indianapolis-based chain, also distributes to smaller dealers.

HiFi Buys, based in the state, is one of the few expanding, but into Tennessee with an outlet in Nashville.

Classic Stereo is considered the leading specialist in Ft. Wayne, where Lehman's, an appliance dealer, also has a good hifi image. Stereo Scene is considered a strong specialist in South Bend.

Cited as up and coming are two independents in college towns—Von's Audio in Lafayette and Allan Audio in Bloomington.

LEADING RETAILERS

Allan Audio
Classic Stereo
CMC
Dixie HiFi
Graham Electronics →

HiFi Buys
JC Penney
Karma Audio
Lehman's
Playback
Risley & Julian
Service Merchandise
Sound Productions
Sound Room
Stereo Lab
Stereo Scene
Von's Audio

MICHIGAN

1979 volume: $75 million
% of national total: 3.5

Problems in the auto industry cast an economic shadow over the hifi marketing scene in this state, with retail sales volume estimated to be off considerably.

The Detroit area, its population center, was particularly hurt by weakness in the automotive industry and the headlines grabbed by the Chrysler situation. Also, there were some payless days for Wayne County employes because of local fiscal problems.

Regarded as the "big hitters" with the dominant share of market are the chains' Highland, Fretters and Eric Electronics (a Lafayette affiliate).

Also considered major factors are two outside-the-state-based chains, Playback in western Michigan and, more recently, Schaak Electronics, in the Detroit area, and Tech HiFi.

In the Detroit area, successful independents include Absolute Sound with three stores; Almas Hifi with two stores, and The Gramaphone.

Stereoland has trimmed some of its outlets.

Adray's, which like Highland and Fretters, is also strong in appliances and tv, is a good mover of hifi equipment in its suburban Dearborn location.

J. L. Hudson, the department store is more aggressive in components, as is newcomer Service Merchandiser, a catalog showroom.

Some of the audio specialty shops in the highly saturated Detroit market experienced trouble, but among the stronger survivors are Point Electronics and Pecar Electronics, a high-end shop.

Outside the Detroit area, major factors include HiFi Buys in Lansing, Jackson and Ann Arbor; The Sound Room in Grand Rapids, Kalamazoo, and Benton Harbor (its newest); The Stereo Shop in Lansing and Traverse City; and, in the lightly populated Upper Peninsula, Soundnorth and Sound Center.

LEADING RETAILERS

Absolute Sound
Adray's
Almas Hifi
Eric Electronics
Fretters
Gramaphone
Highland
HiFi Buys
J. L. Hudson
Pecar Electronics
Point Electronics
Playback
Service Merchandise
Sound Center
Soundnorth
Sound Room
Stereoland
Stereo Shop

OHIO

1979 volume: $81 million
% of national total: 3.7

The tough economic conditions under which hifi retailers had to operate in Ohio this year made it questionable whether there was any sales growth, if not a slight decline altogether.

There was little change on the retail scene. If anything, the smaller ma and pa audio shop may be a thing of the past. The bigger chains and stronger independents appeared to be taking an even greater hold on the market, according to rep sources.

A typical comment: "In the past, the market was in an inverse pyramid, where the growth rate was so astronomical it almost walked over the top of recessions. Now it isn't true. Market growth has slowed down and we're starting to react and respond more to the economic curve."

But while expansion may have been curtailed, the roster of "big hitters" on the retail scene showed little change.

These continued to be Audio Warehouse with outlets throughout the state; Tokyo Shapiro in the northern Cleveland-Akron area; Sun TV in Columbus; Rex in Dayton; Steinberg's and Swallens in the greater Cincinnati area.

Independents with a niche of their own are Channel One in Toledo, Audiocraft and Sound Chamber in Cleveland, United Sound Associates in Findlay and Bowling Green, and Stereo Lab with outlets in Cincinnati.

Appliance/tv dealers regarded as hifi facotrs include Lucas, out of Columbus, which opened a store in Springfield and B&B and Northeast Appliance, both in Cleveland.

Department stores in the state are dabbling in hifi. But their modest niche, along with the fact that no outside firms of consequence have come in, testifies to the continued hold the home-grown chains and independents have on the Ohio market.

LEADING RETAILERS

Audio
Audiocraft
Audio Warehouse
B&B
Biddle's Sight and Sound
Carlin Electronics
Channel One
Lucas
Northeast Appliance
Rex
Sound Associates
Sound Chamber
Steinberg's
Stereo Lab
Swallens
Tokyo Shapiro
United Sound Associates

WISCONSIN

1979 volume: $56 million
% of national total: 2.6

With its status as a leading dairy and brewery state providing it a measure of economic liquidity, Wisconsin's hifi business fared relatively well this year.

Helping to generate hifi growth in a "conservative" consumer climate is a strong retail base of chains and independents.

Out-of-state based chains like Playback from Chicago, Pacific Stereo from the West Coast, Schaack Electronics from Minneapolis, as well as franchisees from Team Electronics, also based in Minneapolis, have brought more promotional flamboyance to the area, particularly in the big Milwaukee market.

But their activity has not weakened the status of old-line independents who remain very much a part of the scene, like Flanner & Hafsoos, Port of Sound, Sound Stage and Wack Electronics.

The Boston Store is considered the most aggressive among department stores, but like Shopco, a Green Bay-based discount chain, it is not really big in hifi componentry, according to rep sources.

Sound Gallery in Racine opened a second store in Kenosha, meanwhile.

Considered to be the single biggest independent in the state, however, is American TV & Appliance, whose influence extends well beyond its base in Madison, the state capitol. Other factors there are Happy Medium, Specialized Sound and a Team franchisee, which added a store in Janesville.

Further upstate are the expanding Echo Communications chain, Sound World, and Soundnorth.

LEADING RETAILERS

American TV
Flanner & Hafsoos
Happy Medium
Pacific Stereo
Playback
Port of Sound
Schaack Electronics
Sound Gallery
Soundnorth
Sound Stage
Sound World
Specialized Sound
Team Electronics
Wack Electronics

East South Central

ALABAMA

1979 volume: $10.1 million
% of national total: 0.5

High fidelity business in Alabama is "holding its own," with projections calling for a slightly better year in 1979, compared with 1978.

Major markets in the state are Birmingham, Huntsville, Montgomery and Mobile.

All four sectors are generally dominated by independents, reps say, who are more aggressive than the traditional retailers.

Economic conditions are not the "doom and gloom" of other regions, reps indicate. High-end merchandise has been moving the best, with service and features prime selling tools.

The leading dealers continue to be Stereo Warehouse, Sound Distributors, Service Merchandise, Gayfer's and Wide World of Music.

LEADING RETAILERS

Custom Sound
Fiddler Hifi
Gayfer's
Hifi Hideaway
Kretzer's
Record Shop
Service Merchandise
Shalimar Sound
Sound Distributors
Soundtrack
Stereo Warehouse
TUC Sound Studios
Wide World of Music

KENTUCKY

1979 volume: $10.2 million
% of national total: 0.5

Both old and new Kentucky homes are being equipped with highly-sophisticated high fidelity components, according to the majority of sales representatives contacted.

The economy is good, they say, resulting in higher-priced receivers, cassette decks and amplifiers leading the pack. Overall, however, dollar volume is on a par with last year.

Both Lexington and Louisville remain the top markets, bolstered by small independents and chains.

Some of the retailers mentioned in the forefront include Playback, Dixie HiFi, Bacon's Department Store and Service Merchandise.

LEADING RETAILERS
Bacon's
Dixie HiFi
FM Hi Fidelity
HiFi Buys
High Fidelity, Inc.
McDonald's Sound Goods
Music City
Playback
Risley & Julien
Service Merchandise
Sound Impulse
Stereo Shop
Sun Audio
Very Honest John
Vetters

MISSISSIPPI

1979 volume: $9 million
% of national total: 0.4

Mississippi continues to be one of the brighter spots in the East South Central region.

Dollar volume is expected to increase at least 10% in the state over last year's figure due primarily to a booming economy and "lots of extra income."

Independents remain on top, with this year's list including four giants in the state: Audio Systems, Helwic Electronics, Hooper Electronics and McRae's.

LEADING RETAILERS
Audio Systems
Helwic Electronics
Hooper Electronics
McRae's

TENNESSEE

1979 volume: $15.5 million
% of national total: 0.7

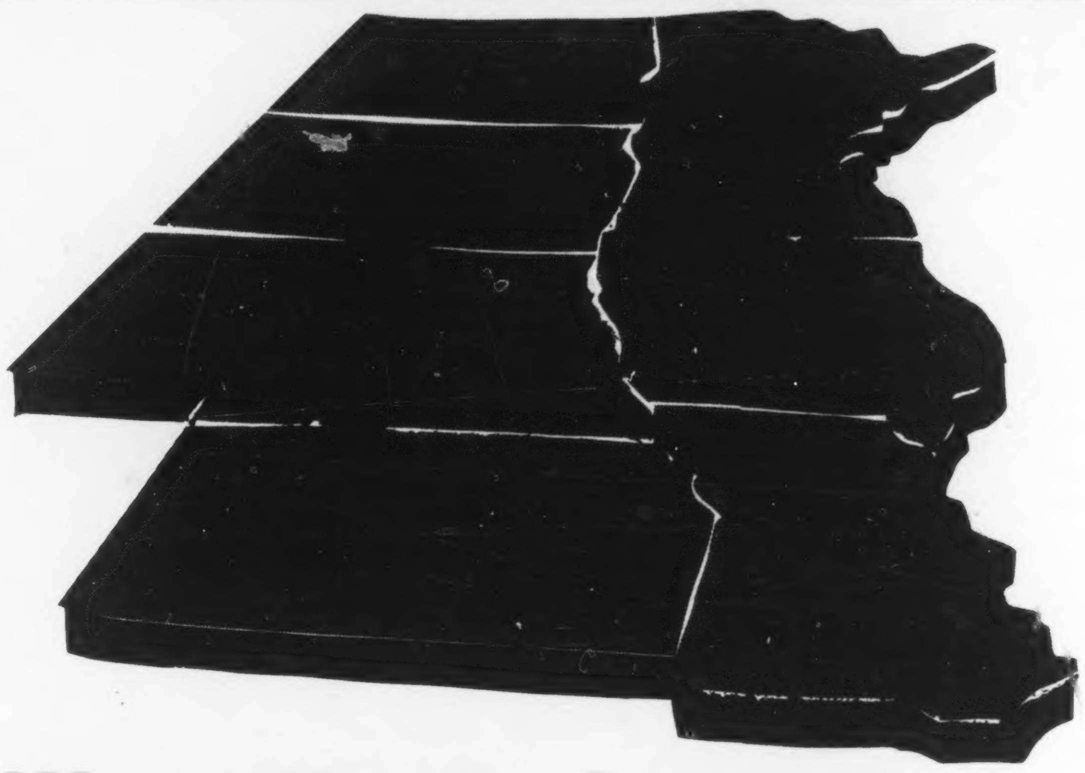
It's becoming a hotly contested high fidelity contest in Tennessee between the independents and department stores.

The state's major department stores, such as Cain-Sloan and Miller's, as well as JC Penney are getting into the act.

The leading specialist continues to be Circuit City, reps note, with many smaller dealers scattered throughout the state.

Total volume is predicted to be minimally ahead of last year.

LEADING RETAILERS
Anderson Audio
Audio Systems
Cain-Sloan
Capitol Audio Visual
Circuit City
College Hi Fidelity
CMC
Electronic Pavillion
Harvey Warehouse
HiFi Corner
HiFi House
JC Penney
Miller's
Nicholson's
Opus Two
Service Merchandise
Sound's Impressive
Watkins Stereo



West North Central

IOWA

1979 volume: $6.5 million
% of national total: 0.3

Hifi component sales were a little harder to come by in the tall corn state this year, but there were some gains, according to rep estimates.

A strong agriculture base helped make the economy less susceptible to the downturns experienced elsewhere. However, a lengthy strike in the related farm equipment manufacturing industry, at John Deere, hit some consumer pocketbooks in the area.

The retail scene continued to be dominated by two home-grown chains; World Radio, or WRL (for its original Word Radio Laboratories name) and Stereo Town. They are particularly strong in the state capital, Des Moines. World Radio, based in Council Bluffs, also opened a new store in one of the larger eastern Iowa towns, Cedar Rapids.

Team stores are also major factors around the state, such as the franchisees based in Sioux City and Davenport.

Audio Odyssey in Davenport is regarded as one of the strongest in the Quad Cities area, which also includes Bettendorf, IA and Rock Island and Moline, IL. Sound Depot is another, and it opened a second outlet in Muscatine, another Mississippi River town.

Sound World in Ft. Dodge is one of the bigger promoters and is part of a loosely affiliated chain with outlets also in Marshalltown and Mason City.

Waldon Photo out of Waterloo, Stereo by Midwest in Des Moines and Renier's in Dubueque, are considered key independents in their respective markets.

LEADING RETAILERS
Audio Odyssey
Renier's
Sound Depot
Sound World
Stereo by Midwest
Stereo Town
Team
Waldon Photo
World Radio

KANSAS

1979 volume: $11 million
% of national total: 0.5

A golden wheat harvest helped insulate Kansas from much of the economic shocks experienced in more industrial states.

However, a highly competitive Kansas City area, where many retailers operate on both sides of the Missouri state line, tended to depress dollar volume in hifi. As a result, overall retail hifi sales in Kansas in 1979 are seen slowing to the point where they are only holding their own with last year.

The Kansas City area, one of the nation's biggest automotive centers, saw the production slowdown in that industry impacting on the hifi business, and felt by retailers with outlets in Kansas as well as Missouri.

Adding to the competitive scene in that bi-state area was the arrival from Omaha of the Audio Professionals chain with outlets in both sides of the state line.

Showing growth is the Wichita area, where the leading retail factors, reps report, are Nichol's (which also bought out a store in Emporia), Custom Sound, Space Age and Superior Sound, the latter particularly heavy in the pro end of the business.

TSC Sound—one of the original Team franchisees—based in Topeka, meanwhile, has expanded.

Kief's Gramaphone in Lawrence and Manhattan—two college towns—is said to be growing. A factor in Great Bend in the western wheatfields is Frontier Sound.

LEADING RETAILERS
Audio Professionals
Burstein-Applebee
CMC
Custom Sound
Frontier Sound
Gramaphone
David Beatty
Dolgin's
Macy's
Nichol's
Space Age
Superior Sound
TSC Sound

MINNESOTA

1979 volume: $88 million
% of national total: 4.1

A diversified economy contributed to keeping hifi component sales only slightly better than year-ago levels.

The audio retail scene appears little changed from a year ago, according to area reps.

The "big guys" are still Schaak Electronics and Team—the purchase of the latter by its management from Dayton-Hudson being regarded as a strengthening move.

Both do considerable volume outside the state as well, but since most of the purchasing is made locally, it tends to bloat Minnesota volume estimates.

LaBelle's, the catalog showroom chain, is becoming an increasing factor in hifi component sales.

There were some specialty store casualties. And the expected entry into the Twin Cities market of Pacific Stereo has been postponed, if not permanently shelved.

But the leading chains survived the tougher competitive scene, notably Audio King and Sound of Music in the Twin Cities area; Sound World, headquartered in Rochester, in the southern part of the state; and Stereo One, out of Brainerd, in the north.

In Duluth, a major independent, Sound Trek, became a Team franchise.

Dayton's continues to do well in hifi business, and is regarded as more aggressive in that sector than most area department stores.

LEADING RETAILERS
Audio King
Dayton's
LaBelle's
Schaak Electronics
Sound of Music
Sound Trek
Sound World
Team

MISSOURI

1979 volume: $35 million
% of national total: 1.6

Buffeted by heavy snow at the start of the year and slowdowns throughout in the car production centers of St. Louis and Kansas City, it was a tough climate for hifi component sales in 1979.

Estimates indicate the state is being hard-pressed to match year-ago levels, and volume may have fallen by about 10%, according to some rep sources.

There were some new store openings; but there were also some cutbacks and closings.

CMC pretty much maintained the status quo with over a score of stores, split between the KC and St. Louis markets.

In St. Louis, Tipton's and out-of-state-based Pacific Stereo may have experienced some problems but continued as major forces, as did Custom HiFi (from Houston) which entered the St. Louis market late last year.

Key independents include Flip's Stereo and Hi Fi Fo Fum, both of whom had cut back their number of stores, and Best Sound, while Famous Barr, the department store, was becoming more a factor in hifi.

Dolgin's, the catalog showroom, is well into the audio scene now with aggressive advertising and good displays and sales personnel. Brands Mart, a leading independent, has expanded its quarters.

Cited as factors elsewhere are Summit Sight and Sound in Jefferson City which added a store in Columbia, Show Me Electronics in Rolla, House of Sound in Springfield, and Kemper & Dodd in Cape Girardeau.

LEADING RETAILERS
Audio Electronics
Audio Professionals
Best Sound
Brands Mart
Burstein-Applebee
CMC
Custom HiFi
David Beatty
Dolgin's

→

Famous Barr
Flip's Stereo
HiFi Fo Fum
House of Sound
Independence Audio
Kemper & Dodd
Pacific Stereo
Show Me Electronics
Summit Sight and Sound
Tipton's

NEBRASKA

1979 volume: $6.5 million
% of national total: 0.3

A growth market, both in actual sales and in potential–that's the prognosis for Nebraska in hifi.

The state appeared to be immune to the economic malaise being felt elsewhere. Its strength is a healthy agricultural economy, and a growing Omaha, which is also a major insurance industry center. Unemployment is low.

Hifi is "hopping" in the Omaha-Lincoln axis, with most of the state's leading retailers operating stores in both areas. Lincoln, the state capitol, is also home of the state university.

The big factor on the retail scene is the World Radio chain, whose headquarters are across the river from Omaha in Council Bluffs, IA.

Doing well also are Team stores, according to rep reports.

LEADING RETAILERS
Audio Professionals
Communications Engineering
Custom Electronics
Midwest Audio
Sound Machine
Stereo West
Richman-Gordman
Team
World Radio

NORTH DAKOTA

1979 volume: $4.2 million
% of national total: 0.2

A strong farm economy continues to make this lightly populated state a healthy one for hifi sales.

But it is also largely an adjunct of neighboring Minnesota in terms of retail marketing, since the major outlets, Team, Schaak Electronics and LaBelle's are all Twin Cities based.

A few independents hold forth in communities like Bismarck and Minot, but the chains take up most of the volume.

LEADING RETAILERS
LaBelle's
Schaak Electronics
Team

SOUTH DAKOTA

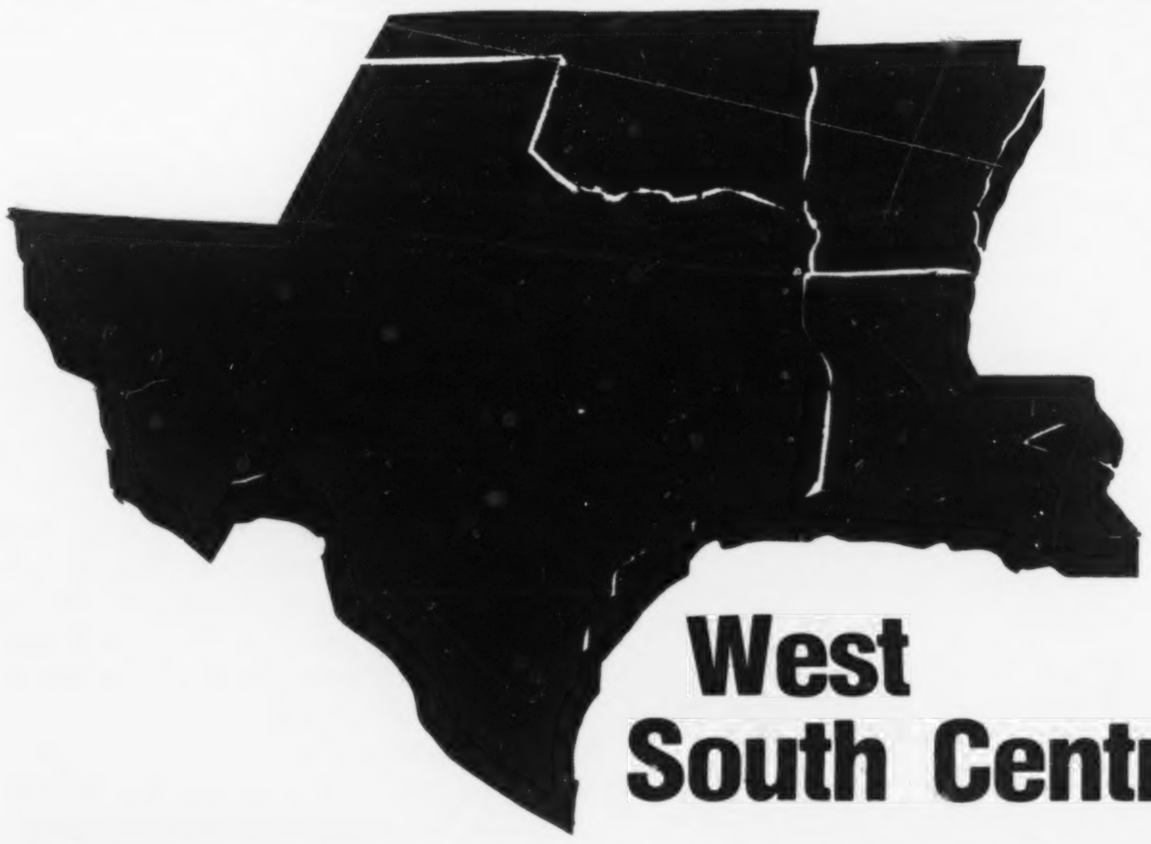
1979 volume: $3.2 million
% of national total: 0.15

Like its neighbor to the north, a healthy agricultural base kept South Dakota's economy sound and hifi growing.

Schaak Electronics continues to lead the market here. But a few other dealers are also thriving, albeit competing for a relatively small volume total.

Dakota Audio in Brookings is one; Stereo Town in Rapid City another.

LEADING RETAILERS
Dakota Audio
Schaak Electronics
Stereo Town



West South Central

ARKANSAS

1979 volume: $9.5 million
% of national total: 0.4

Little has changed in Arkansas that would have any impact on hifi sales. Although regional rep estimates pushed the state's sales volume in hifi slightly above the national average in terms of growth in 1978, business has been essentially flat this year.

The main reason for this, according to reps, is the state's usury law which places the maximum interest rate for borrowing at 10%, too high for the kind of floor financing retailers are used to here and just high enough to keep a lot consumers out of the marketplace. Unfortunately, reps say that under the law, it could be a year before the statute is changed. But they're confident that a change is likely due to political pressure from merchants throughout the state.

LEADING RETAILERS
Custom Audio
Dillard's
Electronic Sales & Service
Moses' Melody Shop
Sound Town
Walloch's TV & Appliances

LOUISIANA

1979 volume: $27.7 million
% of national total: 1.3

Hifi sales in Louisiana picked up a bit this year, but not by much.

Two of last year's factors, Miller Stereo and Sound System, dropped from the scene. However, others have gained in market share and there's even a few new dealers in the state who get high marks from area reps. Dillard's part of the big department store chain based in Ft. Worth, TX, is winning hifi points here, as is Audio West, a new small independent and Howard Griffin Sound Center, both in West Monroe.

Shreveport Refrigeration/ Sound Wave has been particularly strong this year. In fact, one rep claims Shreveport R/S accounts for 60-70% of all high fidelity sales in its market.

LEADING RETAILERS
Alterman's
Audio West
Campo Appliances
Custom HiFi
D. H. Holmes
Dillard's
Howard Griffin Sound Center
New Generation
Ogden Park Record Shop
Savard's Shreveport Refrigeration/Sound Wave
Kadairs Sight & Sound
Sound Trek

OKLAHOMA

1979 volume: $24.5 million
% of national total: 1.1

Oklahoma's hifi market was generally flat this year. Nevertheless, there are a few newcomers here who are doing a good job at retail, according to reps serving the area.

Mentioned specifically were Audio Midwest near Oklahoma City and The Turntable in Enid. Sound Track, which had five stores a year ago in various locations, has cut back to two, including an audio/hifi supermarket. But Sound Track reportedly is doing more volume in these two stores in Oklahoma City than it did in its original five.

LEADING RETAILERS
Audio Midwest
Audio Tech
Custom HiFi
Dillard's
Imperial Sound
Sound Track
The Turntable
Thompson Sound

TEXAS

1979 volume: $78.5 million
% of national total: 3.6

Texas has been the boom state for awhile now and it's reflected to some extent in the state's hifi sales.

Sales haven't been great, but better than most areas throughout the country.

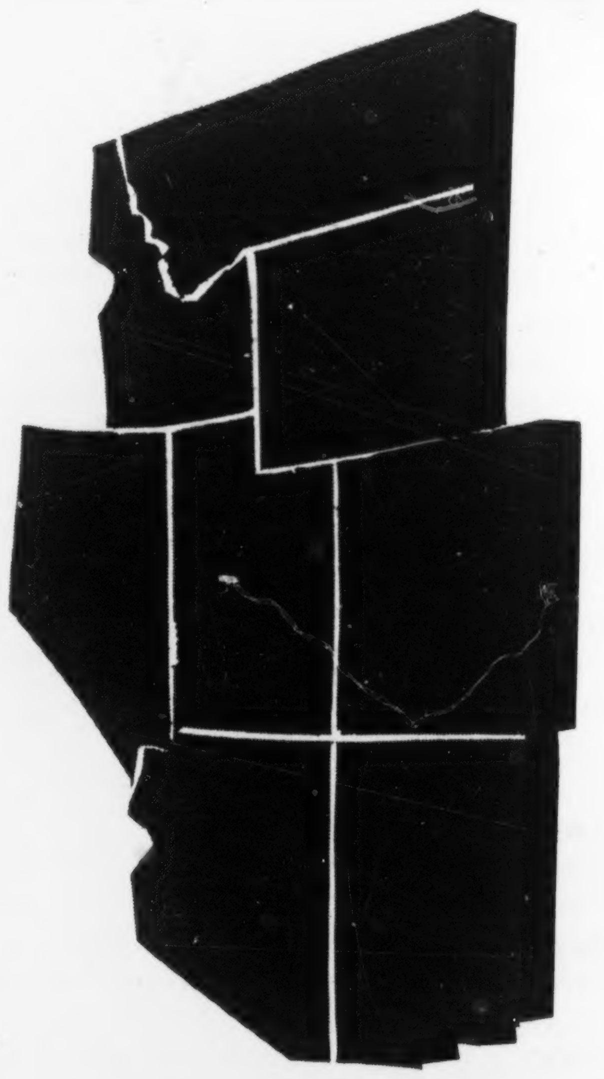
Part of the reason for the increase is that several retail leaders just decided they had to become much more aggressive locally. Dillard's, in particular, which is based in Ft. Worth and has 42 department stores in a four-state area, is frequently lauded by reps for its ability to promote and sell component systems packages at strong price points.

Pacific Stereo has added four stores in the Houston area, bringing to 14 its total number of outlets in Texas. The four new stores, with Pacific Stereo's added promotional kick, have given the whole area a big boost in terms of overall consumer awareness in hifi.

Custom HiFi has closed down all of its stores in Dallas, but remains a factor in its other markets, namely Houston, Lubbock and Beaumont.

Radio Shack, which is based in Ft. Worth, has stores all over Texas and is doing "extremely well" with its Realistic brand throughout the state, one rep reports. More interesting, perhaps, are JC Penney's activities in the state. Penney has been advertising heavily in key markets in Texas and is considered to be competitive—it's getting its share.

LEADING RETAILERS
All-Star Audio
Arnold & Morgan
Best Products
City Appliances
CMC
Custom HiFi
Dillard's
Dyer Electronics
Foley's
JC Penney
Melody Shops
Pacific Stereo
Radio Shack
Sanger-Harris
Sound Climax
Sound Idea
Texas Hifi
Thompson Sound



Mountain

ARIZONA

1979 volume: $29 million
% of national total: 1.3

Dollar volume in hifi is up very slightly this year in Arizona and much of that is coming from new people who have moved into the area—usually from the East.

In fact, this is considered an expanding market. Arizona expects its population to grow significantly over the next 10 years and the firmly entrenched factors seem to have positioned themselves well to take on the new business.

Still, business is soft. Inflation is taking its toll here as it is just about everywhere else and the strong survive—in most cases.

Arizona Audio, considered the dominant hifi retailer in the state a year ago, is no longer in business and has closed down its two units in Phoenix. A few others have also slipped in the past year, although they continue to rate as factors in their markets, according to rep reports.

House of Stereo in Tucson has changed its name to Stereo Warehouse. Jerry's Audio Exchange, with units in Phoenix and Tucson, continues to get high marks from reps, as does Silo's Appliance-TV City. Audio Specialist in Tempe is considered a "comer" and reps say Tech Stereo is doing a good job.

LEADING RETAILERS

Audio Specialist
Custom HiFi
Hi-Fi Sales
Gemco
Jerry's Audio Exchange
LaBelle's
Silo's Appliance-TV City
Sound Fantasy
Stereo Warehouse
Sun Stereo
Tech Stereo

COLORADO

1979 volume: $59 million
% of national total: 2.7

Although many local dealers have fallen down on the job in the minds of some of their reps, Colorado's economy seems to have helped hifi sales here this year. Business has grown steadily—if slowly—with an influx of new people to the area, from ski bums to professionals. For some dealers, it's paying off.

Those dealers who are growing are doing so because they've become just a bit more aggressive in their advertising and promotion and sharper about their business in general.

Denver is still the center of most of the state's hifi sales, but it's spread among a lot of dealers, some of whom have moved into the city this year from outlying areas, such as WJL Sound.

Howard Sound, which had operations in Boulder and Denver, is no longer in business in the state.

LEADING RETAILERS

Audio Junction
Crisman Audio-Video
Custom HiFi
Downing's
Fred Schmid's Appliances
LaBelle's
Moe's Sight & Sound
Sound Shops
Sound Track
World Wide Stereo
WJL Sound

IDAHO

1979 volume: $3.3 million
% of national total: 0.2

Many of Idaho's top hifi retailers are small, but they remain factors in their own markets.

Business in Boise has picked up to some extent with the help of Hewlett-Packard, which is bringing people into the area who, in turn, are setting up new households. Also, farming has been good in the state this year and, as one rep pointed out, farmers tend to spend when they have it and they pay cash.

As in the past, Phase IV Stereo is just about the biggest thing going in Idaho Falls. Todd Stereo and Sound Limited are the important factors in Twin Falls. Mark's Music in Twin Falls is mentioned by reps as a new factor.

Sound World, once a leader in Boise, is out of business in Idaho. So is Sounds Fantastic.

Reps complain that while local economic conditions are good, the negative national feeling about the economy is filtering in and has made everyone tense and slow to spend. One result is that dealers, who aren't that big to begin with, are buying shallow and losing sales because they don't have the stock.

LEADING RETAILERS

Ascension Stereo
Ballou-Latimer Camera & Sound
Jamieson's Music West
Mark's Music
Phase IV Stereo
Sound Limited
Sound West
Stereo Shop
Team
Todd Stereo

MONTANA

1979 volume: $4.2 million
% of national total: 0.2

With so much land mass and so little population, Montana's hifi market is much like that of many other states: Smaller independent stores scattered among several towns—none of them very big—and none dominating the state.

Hifi sales were up very slightly this year, partly because of inflation, but heavy advertising by a number of the more aggressive specialty dealers seemed to help to some extent.

Buying on credit is in decline here as it is in many areas, although JC Penney continues to do fairly well because its customers have the store's credit card.

Several of the leading retailers are repeaters from last year, but there are a few new entries, too. These are the Sound Room in Great Falls and Billings, and Northern Electronics in Havre.

LEADING RETAILERS

Farr's Jewelry
Fran's TV Sales
LaBelle's
Northern Electronics
Sound Pro
Sound Room
Sound West
Team

NEVADA

1979 volume: $6 million
% of national total: 0.3

Little has changed in Nevada this year—at least in the hifi market.

Business is most often described by reps who serve the area as "generally flat" with few bright spots.

A number of dealers reportedly are just holding their own, but a few, like Wild West Stereo, a newcomer a year ago; Tech Stereo, and Sound Emporium are also said to be doing quite well.

Some hifi retailers have managed to carve out some plus business from sales to entertainers who have set up permanent residency in Las Vegas or Reno and invested in high-end equipment.

So far, at least, the private label firms, namely, Radio Shack and JC Penney, have had little impact in the area, according to reps.

LEADING RETAILERS

Sierra Custom Sound
Sound Emporium
Sun Stereo
Tech Stereo
Tin Ear
Wild West Stereo
Interior System

NEW MEXICO

1979 volume: $6.7 million
% of national total: 0.3

Not much has happened in New Mexico during the past year to expand its hifi market.

Although some reps claim that people are moving into the state because it is warmer and offers an alternative to Arizona and California and some other Sun Belt states, New Mexico is not attracting industry or much of anything else that might contribute to its economic growth.

Area reps, however, estimate very slight growth in hifi dollar volume this year, perhaps as a function of the normal inflation rate in the area.

LaBelle's, a catalog showroom, continues to be a strong factor as a component hifi merchandiser in the state. Audio Associates, once one of the area's hifi strongholds, is no longer considered a force here, say reps.

In private label activity, Radio Shack is a growing factor with its Realistic brand. JC Penney, with plenty of stores around, isn't doing as good a job as Radio Shack, but is important in that it gets a lot of credit card business and first-time hifi buyers.

LEADING RETAILERS

Bartlett Sound (Pro Audio)
Candyman
Custom HiFi
Fourtronics
Hi Fi House
Hudson's Audio Center
LaBelle's
Radio Shack
Stereo Den
Trans American Audio
21st Century Sound
West Coast Sound Systems

UTAH

1979 volume: $11 million
% of national total: 0.5

Utah may not be one of the more dynamic hifi markets in the country, but it picked up in sales volume this year, if only slightly.

Reps decry the fact that while the state's economy is generally sound, particularly in the Salt Lake City area, its residents seem to be paying too much attention to so much of the negative economic news they're hearing from other parts of the country.

Little has changed in terms of the state's top hifi dealers. LaBelle's catalog showroom continues to do a good job in Salt Lake City as does Broadway Music, believed to be the oldest hifi retailers in the state. With stores in Murray and Provo and plans for expansion into Ogden, Inkley's is considered a factor in the state. HiFi Shop continues to hold its own, although reps report that it has turned to more esoteric hardware this year.

Despite complaints that independents often aren't aggressive enough, the private label houses, such as Radio Shack and JC Penney, don't show up as big factors in this region.

TriPower, once a factor here, is out of business.

LEADING RETAILERS

Broadway Music
Custom HiFi
HiFi Shop
LaBelle's
Inkley's
Sensory Sound
Standard Audio
Winterton's
World Wide Stereo

WYOMING

1979 volume: $4.4 million
% of national total: 0.2

Hifi sales were up noticeably in Wyoming this year, with a number of dealers moving into position as strong factors in local markets for the first time.

Much of the market growth here can be accounted for by an influx of young people, many of them going into mining. "There is subtle growth taking place here," one rep told us, "but it's there."

LaBelle's, which shows up as a factor in so many other states around the country, is new to the Wyoming list of "Leading Retailers." With stores in Casper, Cheyenne and Cody, it's already coming on strong in the area.

Radio Shack is also beginning to cut into some market shares in Wyoming.

LEADING RETAILERS

Audio World
LaBelle's
Moe's Sight & Sound
Murphy's Sound Cellar
Music Box
Radio Shack
Stereo World

→

ALASKA

1979 volume: $7 million
% of national total: 0.3

It has been over two years since construction of the Alaska pipeline was completed, but hifi reps who cover the state still talk about that period with deference. It was a time when most workers had a lot to spend—and did. But that's all gone now and in the words of one rep, "It's just a normal economy."

And that's not saying much in these parts. Anchorage continues to grow, but it is no longer booming and the growth hasn't filtered down to enough serious homesteaders willing to lay out additional cash for hifi componentry.

With the exception of Anchorage, employment is off in the state and it's being felt at retail. Specifically, at least two hifi dealers—Shimek's and Stereo Warehouse West—are no longer a part of the local audio scene.

Also, dealers in Alaska continue to fight one sizeable competitive factor here: The military post exchange. Sales are supposed to be limited to military personnel and their families, and that would be bad enough from a competitive standpoint, but there reportedly is some seepage into the basic home market here and reps report dealer discontent about this.

LEADING RETAILERS

Alaska Music Supply
The Electronics Co.
Hoitt's Music Shop
Murray TV & Sound
Nordstrom's
Team Electronics

CALIFORNIA

1979 volume: $364 million
% of national total: 16.8

California continues to be the largest, most competitive and possibly the most sophisticated hifi market in the land, but none of this helped much in 1979.

To begin with, hifi retailers in the state were subjected to the same general economic malaise as the rest of the country. Consumers just weren't buying, at least not component hifi. Not at the levels of a year ago.

The gas crunch hit everyone, but the lines were longer here and California logged more odd-even days than anyone else in the country.

Weather was another problem. It was too good and Californians were more outdoors this year, according to many reps, spending more on gasoline—which cost them twice as much as a year ago.

All this led one rep to comment: "When people don't buy accessories on the wall, you know things are bad. People still want hifi, but it's not a priority item."

Certain lines reportedly did better than others, mainly because of an added push by retailers and hyped-up support by manufacturers. Also, several of the stronger stores seemed to become even stronger during the year.

The big three chains continued to show up well in Southern California where most of the hifi activity takes place in the state. Pacific Stereo and Federated Electronics added stores recently and University Stereo is credited with gaining market share through heavy and innovative advertising and promotion.

Gemco, the 29-store discount division of the Lucky Stores, is also gaining, reps report, as is Leo's Stereo in the Los Angeles area.

The biggest dent at retail was probably recorded by Cal Stereo. Barely a month after opening outlets in Anaheim and Bakersfield to give it 17 stores overall, the hifi discounter's parent company, San Car Enterprises, filed for Chapter XI proceedings under the bankruptcy laws.

Cal Stereo is still doing well, reps indicate, but is operating on a C.O.D. basis from suppliers.

LEADING RETAILERS

Aero Appliances
Bakersfield Audio
Best Products
Bullock's
Cal Stereo
Dow Sound Emporium
Federated Electronics
Gemco
Handy Andy
Leo's Stereo
Macy's San Francisco
May Co.
Jonas Miller Sound
Now Sound
Pacific Stereo
Robinson's
Rogers Sound Labs
Stereo Plus
Stereo West
Sun Stereo
Systems Warehouse
The Broadway
University Stereo
Zody's

HAWAII

1979 volume: $8.6 million
% of national total: 0.4

Tourist dollars continue to flow in Hawaii's economy, but it hasn't seemed to help the local hifi market much. Total retail sales volume was up several percentage points this year. However, reps attribute this increase almost solely to inflation. In fact, there has been little growth in terms of unit sales this year over 1978.

"We're conforming to the economics of America," said one rep, tending to play down Hawaii's unique place in this country's political, social and geographic scheme of things. "We're in a holding pattern," he added, "like the rest of the country."

Most of the island state's hifi dollars continue to be spent in Honolulu, which has seen some changes in the past year in the retail market.

For one thing Anderson's Camera House no longer operates the audio-hifi departments in the five Parkview GEM discount stores, although it continues to do well in hifi with its own store in Honolulu. The GEM departments are now run by Electrical Distributors Ltd.

Another new entrant on the local scene, according to reps, is Ward Audio. Island Electronics, a Lafayette associate, no longer serves this market.

LEADING RETAILERS

Anderson's Camera House
Audio Center Ltd.
Lakeside Audio
Odyssey
Parkview GEM
Ward Audio

OREGON

1979 volume: $37 million
% of national total: 1.7

Hifi sales in Oregon have been down this year for all but the most aggressive dealers. According to reps, only those dealers who received significant support from their manufacturers and who are financially sound in their own right will round out the year with any sales growth.

A particular problem this year, when sales were so tough to come by, has been the raising of the state's usury lending rate from 15% to 18%, which tended to wipe out floor financing for many dealers and presumably forced some potential customers to back off.

Higher prices seemed to be yet another deterrent to sales, reps claimed.

Based on rep evaluations, a few dealers have been dropped from last year's listing of "leading retailers" and there are no new additions to the Oregon list. Electronic Supermarkets is down from three stores to one in Beaverton, but is still considered a factor in this market. Stereo Super Stores, meanwhile, has added units and is now up to three stores in the state.

Meier & Frank, the big downtown department store in Portland, continues to do well in hifi, reps say.

LEADING RETAILERS

Bend Sound Center
Chelsee Audio
Day's HiFi
Electronic Supermarkets
Fred's Sound of Music
Great American Stereo
Hawthorne Stereo & Electronics
Jafco
Meier & Frank
Smith's Home Furnishings
Stereo Super Stores
Westman's

WASHINGTON

1979 volume: $60 million
% of national total: 2.8

Like Oregon, Washington has very few well-populated business centers and that means competition is particularly tight in Seattle, and sales and growth opportunities leave something to be desired in the state's other cities and towns.

Despite inflationary pressures to hold up prices, hifi sales have been down this year.

Reps blame much of the decline on the usury interest rates in the state, which increased from 12% to 13% this year. This has put pressure on lenders and borrowers alike and has forced all but the most financially sound retailers into very strict inventory conditions. The fact that the cash flow just hasn't been there from hifi sales hasn't helped matters.

Relief from the existing usury lending rate is in sight, however, as the state legislature has agreed to take up this issue when it reconvenes in January.

Fortunately, Seattle's economy has remained sound and although not exactly a company town, the Boeing Co., which accounts for much of the city's business is in good shape with relatively high employment levels and long-term contracts.

There has been one retail dropout among last year's leading hifi market factors and that's Electricraft. A new factor in Seattle is Speaker Lab with five stores in the area.

LEADING RETAILERS

Don Stereo
Great American Stereo
Hoffman Music
Huppin's
Jafco
Magnolia Hi fi
Pacific Stereo
Paulson's
Speaker Lab
Stereoland
The Bon
TV Stereo Mart

●

Merchandising and a bit of show biz dominate ITA programming seminar

NEW YORK—That the home video market is maturing was evident at the recent ITA Home Video Programming Seminar as the emphasis turned from technology to selling and distribution with a little show biz thrown in.

"We've moved from a technological orientation to an entertainment orientation," said James Lara, vice president for strategic marketing at Pickwick International, the nation's largest rack jobber, "and that's very, very essential."

Pickwick, among others, gave notice that it is getting serious about the home video market. It has put together a formal merchandising program called "Video Works," which involves the development of special point-of-sale displays—complete with video monitor—to boost impulse buying, heavy involvement in market research and expansion of distribution at a number of levels.

Test marketing

Pickwick has already formed three consumer panels throughout the U.S. as "focus groups," to market test new programs and merchandising plans. The rack jobber will concentrate its efforts initially in the Los Angeles, San Francisco, San Diego and Minneapolis areas.

Pickwick also expects to expand its mix of video accounts along with supplying its own stores. Its biggest new account is Magnetic Video, the largest supplier of prerecorded videocassettes. Pickwick reportedly will handle Magnetic Video on an experimental basis in a number of cities before expanding into new markets.

"As a company, we're very enthusiastic about the video market," Lara said.

Even the Walt Disney organization is getting its ducks in order for what it obviously views as an expanding home video market.

James Jimirro, executive vice president of Walt Disney Educational Media Co. and president of the Assn. of Media Producers, a trade group, said his company is in the process of entering the home videocassette and videodisc markets.

Only rental business

"We want to be in the rental business and only the rental business," Jimirro said. "If we can set up a rental system, we will. If it doesn't work, we'll regroup. The point is, we can move in and out (of the market) if we rent."

Jimirro pointed out that one of Disney's top feature-length animated films, "Snow White," has been issued seven times in the U.S. and sets new sales records with each succeeding release. He said this can be done with many Disney features in the home video market, but only if the tapes are rented. "We're not in a great hurry to extract millions of dollars from this marketplace," Jimirro added.

Disney has already licensed MCA to market some of its titles on videodisc. As Jimirro explained: "We want very badly for this market to succeed. It represents a tremendous market for us and we want to help it get started and to grow."

However, the Disney executive left open just how far his company was prepared to go in the videodisc area. He described Disney's current role as a "short-term obligation."

Jimirro said Disney hopes to keep most titles in the active market approximately eight to 10 months.

Discs complement tapes

James Egan, vice president-sales, Magnavox Consumer Electronics, told his ITA audience that his company sees videocassettes and videodiscs playing complementary roles in the marketplace and that the consumer's appetite for video options is definitely growing.

"The prospect of several thousands of dollars worth of video equipment in each home adds up to very exciting possibilities for us." But it also creates a potential problem for the industry, as Egan was quick to point out: "That television is free will be less convincing to the consumer in the future" as he begins acquiring new and expensive video devices to hang on his basic tv set.

At any rate, Egan predicted that by 1985, the population of VCRs and videodisc systems would be virtually the same—about seven million each in use in American homes. But the lower disc price will begin to push this software format past videotape in unit sales beginning in 1985, Egan added.

Filmed interview

Consumer and dealer interest in the videodisc systems was made clear at the ITA meeting by Robert Pfannkuch, corporate vice president of Bell & Howell and head of its video group, when he showed a filmed interview of a customer in a Chicago store explaining that the dealer had just offered to buy back some of his recently purchased discs. This, despite the fact that the only videodisc system on the consumer market, the Magnavox Magna-Vision system, is *officially* only available at retail in Atlanta and Seattle.

According to Pfannkuch, MagnaVi-

(Continued on page 58)

Merchandising's TOP 50

	Last month's position	Months on chart
1. **M*A*S*H**	4	14
2. **Patton**	2	14
3. **The Sound of Music**	5	9
4. **Butch Cassidy and the Sundance Kid**	1	2
5. **French Connection**	7	14
6. **The Godfather**	6	5
7. **Wild Geese**	27	10
8. **Saturday Night Fever**	3	5
9. **The Godfather II**	10	2
10. **The Graduate**	11	11
11. **The African Queen**	8	5
12. **Hello Dolly**	12	14
13. **Carnal Knowledge**	16	11
14. **Tora! Tora! Tora!**	15	14
15. **The Longest Day**	18	14
16. **Bruce Lee—Super Dragon**	36	12
17. **Night of the Living Dead**	35	6
18. **A Touch of Class**	19	5
19. **Papillon**	17	12
20. **The King & I**	9	14
21. **Tunnel Vision**	41	6
22. **Looking for Mr. Goodbar**	13	2
23. **King Kong**	24	11
24. **Mighty Mouse**	25	11
25. **Paper Chase**	43	12
26. **Von Ryan's Express**	31	14
27. **Marathon Man**	N	1
28. **The Man Who Would Be King**	14	13
29. **The Lion in Winter**	22	9
30. **The Sailor Who Fell From Grace With the Sea**	38	9
31. **Heckle & Jeckle**	N	4
32. **A Man and A Woman**	20	10
33. **Fantastic Voyage**	32	14
34. **Murder on the Orient Express**	29	2
35. **The Hot Rock**	40	12
36. **The Hustler**	34	9
37. **Flash Gordon Conquers the Universe**	45	4
38. **The Beatles at Shea**	47	9
39. **The Bible**	N	7
40. **The Day the Earth Stood Still**	23	8
41. **The Sand Pebbles**	N	10
42. **Citizen Kane**	26	12
43. **Barbarella**	28	2
44. **Doctor Dolittle**	39	13
45. **The Great Dictator**	N	5
46. **Those Magnificent Men in Their Flying Machines**	48	13
47. **Voyage to the Bottom of the Sea**	46	8
48. **Elvis Presley in Concert**	50	5
49. **The Dutchess and the Dirtwater Fox**	21	2
50. **Blue Hawaii**	44	14

Sees computer, VCR and cable tv as integrated home unit in 10 years

NEW YORK—H. Ross Perot, who left IBM in 1962 to make his fortune in the development and marketing of computer programming, thinks the ability to use computers will eventually be required as a test of literacy.

Perot, chairman of Dallas-based Electronic Data Systems, who gained international fame when he sponsored a series of flights into Hanoi to rescue American prisoners of war from their North Vietnamese captors, predicts that nine million homes will be equipped with computers within 10 years. The computers, along with the 30 million videocassette systems he believes will be in place in U.S. homes within that same time period, and cable and pay tv hookups, "eventually will all be tied together as an integrated unit."

Using aircraft as an analogy, Perot, who was the keynote speaker at the ITA Home Video Programming Seminar here, told his audience: "We're at the DC-3 stage, not even the jet plane level in the development of (electronic) technology."

Perot's passion for computers and small advanced electronic gadgets led to the recent formation of Inovision, a direct mail order operation specializing in consumer electronics, and a wholly owned subsidiary of EDS. He called consumer electronics a "major market," but added: "I don't understand it, but I wanted to get into it now—to learn. We can afford to be early, but we can't afford to be late" in this industry.

"It's hard to think that people will be going to toy stores to buy computer programs for their children, but we believe they will," Perot said.

Perot said he also sees great opportunities in the small business computer markets. He said there are only about three million of these systems in use today in the U.S. "It could easily go to eight million, or to just about anyone who has a cash register if the prices continue to drop. The only medieval device in the system will be the cash drawer."

OUTLOOK '80: 53% of dealers forecast sales gains

Some set higher goals than for '79

If dealers of consumer electronics, major appliances and housewares have learned anything from the business vagaries of 1979, it appears to have been caution.

Last year, an exuberant 81% of the respondents to *Merchandising's* annual Retail Opinion File on sales goals said they expected volume increases over 1978. This year, a more conservative 53% are anticipating gains for the year ahead.

Moreover, 14% in this year's poll are predicting a drop in sales, compared with 5% a year ago; and 33% are looking for no change in volume vs. 14% in the previous survey.

The optimistic retailers, however, are apparently more optimistic than ever about their 1980 sales targets. Although fewer merchants are forecasting gains for the year ahead, among those that do, more are calling for heftier increases. Last year, 15% of the respondents said they expected business to improve by 15%or more; this year, 39% are planning to beat their figures by 15% or better.

Also, while 1% of the dealers queried are projecting a 1-5% gain in sales, 22% picked that target a year ago; and 15% say they expect to be 5-10% ahead vs. 42% in the previous study.

Similarly, while 50% of the respondents to the 1978 poll said they planned to increase their advertising and promotional expenditures, this time around 34% are budgeting increases for 1980.

Yet, the awareness that retailers face a tougher battle for the consumer's discretionary dollar may be seen by the fact that a substantial 71% are scheduling increases of 10-20%; last year only 10% indicated they were prepared for expenditures of that magnitude.

Also, 6% of the respondents are expecting to increase their local ad outlays by 1-5%; last year, 45% said they would increase their budgets by that percentage.

Retailers participating in this third annual outlook poll represent stores of all sizes and types—from local independent dealerships to national chains and from specialty operations to full-line mass merchandisers—as well as from all sections of the country. Also, participants have buying responsibilities, at one level or another, for major appliances, housewares and consumer electronics products.

In addition, to the overall results of the current poll indicated above and in the accompanying charts, retailers point out, product category by product category, what their plans and expectations were for the coming year.

MAJOR APPLIANCES

In this product grouping, 52% of the respondents expect sales increases in 1980, compared with 77% a year ago, but 33% say volume will be the same next year vs. 17% a year ago. And 52% put their anticipated gains at the 10-15% level compared to 17% in 1978. Still more optimistic are the 29% who say their gains will be 15% or more vs. the 14% last year.

Countertop microwave ovens are expected to produce dollar volume gains in 1980 for 63% of respondents, compared with 25% in the year-ago poll. Laundry products are ranked second with 54%, followed by refrigerators (50%) and microwave oven combinations (49%). This compares with last year's tally of 55%, 48% and 64%, respectively.

In terms of dollar profits, dealers apparently expect a squeeze; all products were behind last year's findings except for countertop microwave ovens. Nevertheless, laundry products and refrigerators are still picked number 1 and 2 to produce profit increases by 37% and 36% of the respondents. This compares with 42% and 40%, respectively, in 1978. Countertop m/w ovens will generate profits for 29% vs. only 9% last year.

Advertising and promotion plans for major appliances in 1980 follow a pattern similar to the overall findings: 35% expect increases in 1980 vs. 49% in 1979 and 58% plan to keep their expenditures the same vs. 45% last year.

ELECTRONICS

Sixty percent of the dealers say that total sales in this product category will register increases in 1980, compared with 80% last year. Another 28% see sales staying the same vs. 17% the year before, while 12% are anticipating decreases vs. 3% the previous year.

Only 1% of respondents project a 1-5% increase next year, compared with 28% a year ago, but 44% predict gains

(Continued on page 48)

RETAIL OUTLOOK

Do you expect your total sales to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	*81*	*53*
Decrease	*5*	*14*
Same	*14*	*33*

What percent increase do you expect?

	% 1979	1980
1-5	22	1
5-10	42	15
10-15	21	45
15-20	9	16
20-25	3	19
Over 25	3	4

Do you expect your local advertising or promotion to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	50	34
Decrease	7	8
Same	43	58

What percent increase do you expect?

	% 1979	1980
1-5	45	6
5-10	41	15
10-20	10	71
Over 20	4	8

MAJOR APPLIANCES

Do you expect total sales in your department to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	*77*	*52*
Decrease	*6*	*15*
Same	*17*	*33*

What percent increase do you expect?

	% 1979	1980
1-5	29	1
5-10	40	18
10-15	17	52
15-20	10	13
20-25	1	13
Over 25	3	3

*In which of the following categories do you expect sales ($) increases in 1980?**

	% 1979	1980
Air Conditioners	23	21
Barbecues-Gas	12	11
Dishwashers	48	33
Microwave Ovens-Comb.	64	49
Countertop m/w	25	63
Refrigerators	48	50
Washers/Dryers	55	54
Electric Ranges	35	30
Gas Ranges	21	25
All other products	13	6

* Adds up to more than 100% due to multiple answers.

In 1980, which of the listed product categories do you expect to provide you with the greatest ($) profit (regardless of number of units sold on price per unit)?

	% 1979	1980
Air Conditioners	18	13
Barbecues-Gas	8	5
Dishwashers	23	12
Microwave Ovens-Comb.	27	20
Countertop m/w	9	29
Refrigerators	40	36
Washers/Dryers	42	37
Electric Ranges	22	12
Gas Ranges	18	13
All other products	7	14

** Adds up to more than 100% due to multiple answers.*

Do you expect your local advertising or promotion to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	49	35
Decrease	6	7
Same	45	58

What percent increase do you expect?

	% 1979	1980
1-5	42	7
5-10	45	16
10-20	9	70
Over 20	4	7

Retail Opinion File

• *Continued from page 46*

will be in the 10-15% range vs. 22% previously.

Although color and black-and-white tv were combined in last year's survey (64% of respondents selecting that category for dollar sales gains in 1979), this year 71% of the retailers pick color tv to show increases, while another 22% feel that monochrome will produce gains.

And while videotape recorders are ranked second with 47%, last year 52% of respondents selected that product for dollar sales pluses. High fidelity components, too, are due to show gains for 28% of respondents to this current poll, compared with 37% a year ago. Expectations for projection tv are also off this year, 18% vs. 23%.

As for those products expected to produce greatest dollar profits, 64% picked color tv, compared with the 57% who gave their vote to the combined color and monochrome tv last year. Not unexpectedly, considering the problems with high fidelity components experienced by many dealers this year, only 17% say they believe this product will provide the greatest dollar profits in 1980, compared with 36% a year ago.

HOUSEWARES

Total housewares department sales should increase in 1980, according to 43% of respondents to this poll. This compares with 66% last year. However, 36% expect gains to be in the 10-15% range next year vs. 17% a year ago. And another 25% predict increases will go as high as 15-20%, compared to the 7% who were that optimistic last year.

Not counting those products which were not included in last year's Retail Opinion File, fans are selected by the greatest number of retailers (48%) for dollar sales gains next year. This compares with 26% a year ago. And reflecting the continuing popularity of microwave ovens, 41% of respondents expect dollar sales increases to be posted by m/w cookware; 39% had similar expectations last year.

But food processors apparently have lost favor with some retailers. Thirty-four percent say that product will show dollar sales gains in 1980 compared with 50% in last year's poll, a drop of 16 points.

Correspondingly, greatest dollar profits are expected to be provided by fans, according to 30% of those polled this year, compared with 21% last year. But reflecting, perhaps, greater competitiveness, 23% of respondents look to m/w cookware to generate the greatest dollar profits vs. 33% a year ago, and food processors, too, dropped to 13% from 18% the year before. •

ELECTRONICS

Do you expect total sales in your department to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	80	60
Decrease	3	12
Same	17	28

What percent increase do you expect?

	% 1979	1980
1-5	28	1
5-10	37	11
10-15	22	44
15-20	7	16
20-25	5	22
Over 25	1	6

*In which of the following categories do you expect sales ($) increases in 1980?**

	% 1979	1980
TV-Color	64**	71
TV-Black & White	64**	22
TV Games	15	14
Non-Video Games	***	6
Videotape Recorders	52	47
High Fidelity Components	37	28
Car Stereo	21	23
Radios-Clock	21	18
Radios-CB	6	8
Personal Computers	7	10
Microtape Recorders	8	4
Projection TV	23	18
Calculators	6	11
Digital Watches	6	8
Telephones	8	11
Phone Answering Devices	5	8
All other products	—	3

** Adds up to more than 100% due to multiple answers*
*** Combined in last year's survey*
**** Not included in last year's survey*

*In 1980, which of the listed product categories do you expect to provide you with the greatest $ profit (regardless of number of units sold or price per unit)?**

	% 1979	1980
TV-Color	57**	64
TV-Black & White	57**	12
TV Games	7	4
Non-Video Games	***	1
Videotape Recorders	24	20
High Fidelity Components	36	17
Car Stereo	13	17
Radios-Clock	9	9
Radios-CB	7	4
Personal Computers	3	4
Microtape Recorders	5	2
Projection TV	10	8
Calculators	4	4
Digital Watches	4	5
Telephones	5	4
Phone Answering Devices	3	4
All other products	—	3

** Adds up to more than 100% due to multiple answers*
*** Combined in last year's survey*
**** Not included in last year's survey*

Do you expect your local advertising or promotion to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	52	39
Decrease	5	7
Same	43	54

What percent do you expect?

	% 1979	1980
1-5	38	5
5-10	45	17
10-20	15	70
Over 20	2	8

HOUSEWARES

Do you expect total sales in your department to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	66	43
Decrease	11	17
Same	23	40

What percent increase do you expect?

	% 1979	1980
1-5	33	0
5-10	41	17
10-15	17	36
15-20	7	25
20-25	2	19
Over 25	—	3

*In which of the following categories do you expect sales ($) increases in 1980?**

	% 1979	1980
Automatic Drip Coffeemakers	26	28
Automatic Percolators	***	15
Blenders	11	20
Broilers	8	11
Clocks-Table	27	14
Clocks-Wall	15	14
Convection Ovens-Countertop	***	23
Electric Shavers	5	6
Fans	26	48
Food Processors	50	34
Gourmet (as category)	23	10
Hair Dryers	11**	17
Hair Curlers	11**	9
Heating Pads	***	8
Hot Air Corn Poppers	***	32
Home Security-Smoke/Fire	28	34
Home Security-Intrusion	28	27
Ice Cream Makers	***	6
Microwave Oven Cookware	39	41
Plasticware	3	9
Metal Cookware/Bakeware	13	11
Slow Cookers	8	7
Tabletop	2	3
Toasters	11	15
Toaster Ovens	17	23
Vacuum Cleaners	43	38
Home Dental Care Devices	8	6
Water Filters	6	15
Barbecues-Charcoal	11	10
Barbecues-Gas	***	23
Power Tools	13	21
Flexible Line Trimmers	18	23
Lawn Mowers	29	27
Snow Throwers	***	19
Other Lawn/Garden Equipment	15	9
All other products	5	2

** Adds up to more than 100% due to multiple answers*
*** Combined in last year's survey*
**** Not included in last year's survey*

*In 1980, which of the listed product categories do you expect to provide you with the greatest $ profit (regardless of number of units sold or price per unit)?**

	% 1979	1980
Automatic Drip Coffeemakers	10	14
Automatic Percolators	***	5
Blenders	7	7
Broilers	3	2
Clocks-Table	13	9
Clocks-Wall	20	18
Convection Ovens-Countertop	***	13
Electric Shavers	4	2
Fans	21	30
Food Processors	18	13
Gourmet (as category)	10	6
Hair Dryers	5**	3
Hair Curlers	5**	3
Heating Pads	***	3
Hot Air Corn Poppers	***	5
Home Security-Smoke/Fire	16**	14
Home security-intrusion	16**	15
Ice Cream Makers	***	3
Microwave Oven Cookware	33	23
Plasticware	6	6
Metal Cookware/Bakeware	16	10
Slow Cookers	4	3
Tabletop	2	1
Toasters	8	5
Toaster Ovens	10	10
Vacuum Cleaners	44	30
Home Dental Care Devices	3	3
Water Filters	2	5
Barbecues-Charcoal	3	8
Barbecues-Gas	***	14
Power Tools	7	10
Flexible Line Trimmers	7	10
Lawn Mowers	20	23
Snow Throwers	***	10
Other Lawn/Garden Equipment	10	6
All other products	4	2

** Adds up to more than 100% due to multiple answers.*
*** Combined in last year's survey*
**** Not included in last year's survey*

Do you expect your local advertising or promotion to increase, decrease or stay the same in 1980 as compared with 1979?

	% 1979	1980
Increase	44	25
Decrease	8	8
Same	48	67

What percent increase do you expect?

	% 1979	1980
1-5	50	7
5-10	44	9
10-20	5	75
Over 20	1	9

Happenings

Consumer confidence and buying plans register increases in October

NEW YOK–For the second month in a row, consumer confidence has advanced, according to the Conference Board.

The Board's Confidence Index (1969/70 - 100) hit 85.6 in October, up 9 points over September. Also, the Buying Plans Index rose to 122.9, a gain of nearly 3 points over September.

Buying plans continued at the strong level registered in September. Over 34% of all those participating in the survey say they will buy a major appliance, 1 point ahead of September. Good gains were recorded for color tv and vacuum cleaners.

Consumers have turned steadily optimistic about U.S. economic prospects for the next six months. Over 16% look for business conditions to improve, up from only 12% in September and less than 10% the month before. Some 13% expect jobs to become more plentiful over the next six months, up from 10% in September and less than 9% in August.

"Consumer confidence has now just about regained all of the ground lost during the spring and summer," noted Fabian Liden, the Conference Board's director of consumer economics.

"A large proportion of consumers have grown more optimistic about the short-term future and expect their personal incomes to increase in the coming months," he added.

It's Personal...

Thomas Macioce, president and chief executive officer, Allied Stores Corp., will be the recipient of the 39th Gold Medal Award to be given by the National Retail Merchants Assn. on Jan. 16 at NRMA's 69th annual convention.

Macioce was chairman of NRMA in 1976.

Karam Skaff, vice president and senior merchandise manager, Zayre Corp., is the recipient of the Israel Menorah award presented by the health and beauty aids, appliances and allied industries division of the State of Israel Bonds. Skaff is cited "in recognition of his dedicated and inspiring leadership in the efforts to foster Israel's growth and progress through the Israel Bond program." The award will be presented Dec. 4 in New York City.

William Boss, vice president, distributor and commercial relations, RCA Consumer Electronics, has been given the Electronic Industries Assn.'s Distinguished Service Award. Boss is currently vice president, EIA's Consumer Electronics Group.

MERCHANDISING
AD MART
Gives your classified ad
more exposure
and
immediate response

Published each month, MERCHANDISING reaches over 59,000 retailers, wholesalers & suppliers of major appliances, home/auto electronics and housewares nationwide. Many of our readers are actively seeking:

NEW CAREER OPPORTUNITIES
EMPLOYEES FOR THEIR COMPANIES
NEW LINES
and
REPRESENTATIVES

For just pennies per contact your classified ad in the MARKETPLACE will generate interest and activity from a highly responsive audience.

For more information on how MERCHANDISING's AD MART will work for you, contact:

MERCHANDISING
AD MART
Classified Ad Manager
1515 Broadway, New York, N.Y. 10036

BACKGAMMON WHIZZES: Chafitz, Inc. displayed its new Aristotle backgammon game recently in New York City. From left to right are Kim Brand, programmer of the unit and Paul Magriel, Chafitz consultant and world backgammon champion. Chafitz also showed two chess games.

Kenny appointed senior vp at Ward

CHICAGO–David Kenny, president of Jefferson Stores, Miami, has been appointed senior vice president and member of the board of Montgomery Ward.

He will retain his present title as president of Jefferson Stores.

In Miami, Jay Kolinsky, vice president and general merchandise manager for hard lines at Jefferson Stores, has resigned. He is succeeded temporarily by Ray Mufson, senior vice president of merchandising. No permanent successor has been named yet.

Hultquist named Thermo-Serv chief

ANOKA, MN–Wayne Hultquist has been named to the new position of chairman and chief executive officer, Thermo-Serv Co., a division of Dart Industries, Inc.

Hultquist is succeeded in his former post as president of Thermo-Serv by Charles Farrell, Jr.

Correction

Due to a clerical error, the figures given for refrigerator factory shipments were incorrect (*Merchandising,* November, p. 46).

The correct unit shipment figures (in thousands) and percent changes are as follows:

	1978	*1979*	*% Change*
Refrigerators/ Freezers	8,223	8,316	1.1
Refrigerators, Total	6,439	6,333	-1.6
Top-Mount	4,241	4,316	1.8
Side-by-Side	1,001	898	-10.3
Bottom-Mount	177	183	3.4
Single Door (excluding compacts)	471	493	4.7
Compact Refrigerators (under 6.5 cu. ft.)	549	443	-19.3

October color tv sales to dealers show 3.4% dip

WASHINGTON–Total U.S. market sales to dealers of color television in October fell 3.4%, with year-to-date sales off 2.5%, according to the marketing services department of the Electronic Industries Assn.

October color tv sales were 882,758 compared to the 913,348 models reported a year ago. For the 43 weeks, sales were 7,939,232, against the 8,145,639 units recorded in the comparable period.

In other categories, home videotape recorder sales amounted to 61,389, an increase of 8.6% above the 56,545 units sold last October. For the year-to-date, home VTR sales were up 19%, with 356,032 units sold, as opposed to 299,134 models sold in the comparable period last year.

Iannuzzi re-elected Key Appliance head

MELVILLE, NY–Salvatore Iannuzzi, Mamaroneck Gas & Electric, was re-elected to a seventh term as president of Key Appliance, Inc., headquartered here.

Named directors were Vincent Capuano, Marlin TV, Seaford, NY; Walter Cyburt, Appliance Arama, Plainfield, NJ; Morris Gliklich, Regal Electronics, Linden, NJ; Arline Lewis, Joe's Radio, Brooklyn, NY; Martin Painkin, Leibert Bros., White Plains, NY; Louis Robbins, Honig's Parkway, Bronx, NY; Arnold Rosen, Arnco Electronics, N. Bergenfield, NJ and Abe Tannenbaum, Abe's Radio, Brooklyn, NY.

Other officers for 1980 are Martin Painkin, vice president; Arline Lewis, secretary and Morris Gliklich, treasurer.

Blake named GECC general manager

STAMFORD, CT–General Electric Credit Corp. has appointed Norman Blake as general manager, commercial and industrial financing division, effective immediately.

Blake will be recommended for election as vice president of GECC. He joins GECC from the parent organization, General Electric Co., where he was staff executive-business development and broadcasting operations for the consumer products and services sector.

Valencia promoted at RCA Sales

INDIANAPOLIS–As part of a restructuring of the RCA Sales Corp., Arnold Valencia, executive vice president-marketing operations, has been promoted to president, succeeding Jack Sauter, who moves up to chairman of the board.

Sauter is also vice president and general manager of the RCA Consumer Electronics Division.

Under the restructuring, Darrel Bade, vice president, RCA Distributing Corp. and executive vice president, international sales, will now be responsible for the company's three branches as well as international sales. He will also coordinate sales with RCA Limited (Canada).

David Croner, named vice president-commercial strategic planning in July, moves to vice president-marketing operations.

James DeVoe, vice president-consumer communications, will have expanded national advertising responsibilities in his new position with the addition of the developing SelectaVision VideoDisc product.

R. Eugene Eddy remains as vice president-warranty programs and training.

Marvin Kramer, named executive vice president-sales in January, retains that post.

Valencia has also been named president of the RCA Distributing Co., succeeding Sauter who moves up to chairman.

formerly Merchandising Week AGRALLA PUBLICATION JANUARY 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

59-A 8006 UL
ACQ EDITOR
ONGRESSIONAL INFO SVC
O WISCONSIN A
SHINGTON DC

BEST AVAILABLE COPY

Formerly Merchandising Week

Merchandising

FOR OVER 60,000 READERS
51,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

January 1980

Electronics Overviews 25

Not to worry. It won't be a bad year at all, this 1980, if everyone works hard and plays their cards right. At least that's what we're told by a lot of knowledgeable marketing executives who have been putting together the plans, programs, products and policies to make it all happen this new year.

This detailed collection of market overviews—product category by category—was put together by Ron Schneiderman, Jim Schneider and free-lancer (and former *Merchandising* staffer) Jane Wollman.

Merchandising
CES
NHMA
NARDA
NAHB

Housewares Overviews 81

Housewares manufacturers in every product category see first-half business as good—but not sensational. Quality basics should be unaffected by a softening in the economy. Some even feel this is a plus for housewares business. People staying at home more are inclined to purchase products that make cooking, entertaining, cleaning and personal care more convenient and pleasurable.

Overviews were compiled by Lois A. Panosh, with assistance from Jack Blood and Joyce Jarcho.

Prerecorded Videocassette Report 72

The naked truth is that the X-rated videocassette market is growing. But its share of the total video market is slipping as more and more general release material, particularly major motion pictures, are introduced. The bottom line, so to speak, is that there's still profit in porn.

And there's profit in *Merchandising's* Top 50, led this month by "The Godfather."

Places and People in Housewares 112

- Bloomingdale's—After one year, Lester Gribetz, senior vice president and general merchandise manager, calls The Main Course a success. Merchandise, displays and demo areas feature the art of entertaining 112
- Kettlestrings—Dick Holm is making his specialty shop synonymous with gourmet in Oak Park, Il. 114
- Don Noble—Rubbermaid's retiring CEO calls move a "change in career thrust." 114

Transshipping: Curse or Blessing 8

That transshipping is a very contentious word may be easily seen from the vehement comments elicited by this month's RETAIL OPINION FILE. Few are indifferent, and most respondents regard transshipping either as an unmitigated evil, or as the salvation of smaller dealers in their constant battle to survive the depredations of off-price mass merchandisers.

NAHB Preview 70

While most major appliance manufacturers are predicting a flat 1980 for themselves, they cite growing strength of the replacement market and their belief that they will be able at least to hold their own, compared with 1979 sales.

The big problem this year will be the downturn in housing starts, representing about one-third of the total market.

Happenings

McGraw-Edison has agreed in principle to sell three of its consumer products divisions: Toastmaster, Ingraham and Edison to a new company formed by Oppenheimer & Co., investment banker, and some former McGraw executives 132

RCA will begin marketing its SelectaVision VideoDisc systems for home use in the first quarter of 1981 and expects to sell as many as 200,000 players in the first year...................................123

Gold Star Electronics, the giant Korean tv and audio OEM supplier for several American firms, is expanding in the U.S. market into additional electronics, housewares and appliance products under its own label 130

From the Capital 7

Commerce Department economists have put together a rather bleak picture of the household appliance industry for 1980. But they look for long-term improvement.

Trendings 8B

- Major appliance retailers are hopeful, but concerned about the economy's cloudy first-half outlook.
- Growing at-home emphasis by consumers pleases non-electric housewares merchants.
- The mood of electric housewares buyers facing the next six months runs the gamut from A to Z.
- A slowing economy will dampen first-half video entertainment business, but not by too much.
- Audio dealers' hopes for 1980 hinge on supplier programs and sharp pricing.
- Personal electronics buyers expect their holiday stars will twinkle for them in early 1980.

Store Operations 116

The rising costs of credit will be a continuing retail fact of life for the '80s. Already some suppliers are changing or abandoning dating programs, while banks and finance companies put the squeeze on consumer credit. Current Fed policies are making "cheap" money a thing of the past.

Product Picture

Electronics.......................................50-69
Housewares 98-111
Major Appliances 119-122

Coming in February: ★ ***There are always some retailers who go against the grain, the ones who bloom while others fade. Merchandising takes a close look at a group of major appliance pacesetters.***

A GRALLA PUBLICATION
VOL. 5, NO. 1 JANUARY 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)
Editor..................Ron Schneiderman
Executive Editor ....Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Jim Schneider
Assistant Editor ....Joyce Jarcho
Field Editor.........Stephanie Azzarone
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director ....Barry Miller
Production Manager
.....................................Susan Benvenuto
Assistant Production Manager
....Vicki Lauro
Circulation Director ....James Fischer
Circulation Manager ....Lisa Hoff

Direct Mail Manager...Barbara Nastro
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3601 W. Devon Ave., Chicago, IL 60659
Tom Galligan (312) 588-7622

West Coast Regional Office:
16200 Ventura Blvd., Encino CA91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment • Catalog Showroom Business • Contract • Giftware Business • Health Care Product News • Kitchen Business • Meeting News • Multi-Housing News • National Jeweler • Premium/Incentive Business • Professional Furniture Merchant • Sporting Goods Business • Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Retail Opinion File

Merchandising touches a sensitive nerve

Transshipping: Is it a curse or a blessing?

That transshipping is a very contentious word may be easily seen from the vehement comments elicited by this month's Retail Opinion File. Few are indifferent; most respondents regard transshipping either as an unmitigated evil which will spell the death of brand merchandising, or as the salvation of smaller dealers in their constant battle to survive the depredations of off-price mass marketers.

But one dealer who anticipates neither heat nor light on the issue coming from this survey flatly states: "If you think anyone would answer this truthfully, you are as naive as the U.S. government."

Although we cannot measure the degree of government naivety, we are able to report that 20% of the respondents to this poll admit to working with transshippers. And of those who do, they note that they do an average of 37% of their business in transshipped electronics and 31% of their sales in major appliances.

Furthermore, these retailers of transshipped merchandise claim their averages will increase this year to 38% for electronics and 34% for white goods.

The days when transshipped electric housewares was the lifeblood of many a discounter apparently have passed. The average for sales of transshipped housewares is a much smaller 13% in 1979 and only 12% expected for 1980.

Regardless of whether conventional wisdom regards these figures as frighteningly large or laughably small, those in favor of the practice have their strongly-held reasons.

"Why miss a sale due to the fact that you don't have a certain item, when you can have access to it from another dealer?" asks one respondent.

"I think dealers should have the right to buy and sell whatever they wish in a free marketplace," asserts another retailer, who adds, "it allows me to compete with dealers who push lines on which they have regional exclusivity."

And another comments in a more philosophical vein: "Transshipping, in one form or another, has been going on since the American Revolution! And it will be here for hundreds of years more."

Still another respondent laments, "It stinks but the prices are good!"

But the most common comment is, "It helps me to be competitive and make higher margins." And in fact, 39% of the respondents handling transshipped goods claim their margins are higher on merchandise from this source, compared with 35% who say their profit margins are the same and 26% who cite lower margins.

However, one of the few dealers who admits to being a transshipper rather than a transshippee has this to say: "We transship both electronics and major appliances. The profit margin is low, but we pick up advertising dollars."

But the comments from the 80% who do not handle transshipped merchandise are also vehement:

"It stinks to high heaven."

"It's the lowest level of business ethics."

"I don't trust them. It should be illegal."

"They're no better than black marketeers. They're parasites!"

"It disrupts the local market. Smaller dealers cannot compete."

"It will mean the eventual downfall of the independent merchant!"

"The transshipper should lose his franchise."

The issue of franchising is as much on the minds of respondents as the morality of transshipping. As one dealer notes, "Retail franchises mean little enough now—transshipping subverts the value of a franchise even further."

And another retailer opines, "I believe the federal government must now step in to return to manufacturers and distributors the right to control how their customers handle their products. If not, small businesses and their valued franchises are doomed."

However, only 27% of respondents involved in the practice of transshipping say they get pressure from their regular suppliers to stop it. Which may explain why so many dealers feel the manufacturer and distributor are also respgnsible for transshipping.

"If distributors could enforce franchises, transshipping would not be necessary," says one retailer.

"Distributors are getting worse and worse about overfranchising," complains another, adding, "I wish we could buy from whomever gives us the best price."

"The manufacturer is the one to stop it. Their greed is plain—they look the other way like it was not happening," charges still another.

"Put the fault on the manufacturers AND the distributors," fumes a dealer. "Ask them why they have four different price sheets."

"Transshipping must be stopped," insists another respondent, "or manufacturers and distributors will lose any dealer loyalty they may have left."

But another retailer wistfully says, "I hope I live to see the day that manufacturers and dealers will stop prostituting the industry."

Pro or con, there can be little doubt that transshipping is a hot topic, except perhaps for one major appliance dealer who plaintively wrote across his copy of the questionnaire: "What the hell is transshipping?"

Questionnaire

Which of the following types of merchandise do you sell?*	
Electronics	76%
Major Appliances	68%
Electric Housewares	19%

Are you currently working with a transhipper?	
Yes	20%
No	80%

In 1979, what percentage of your dollar volume in each of the following categories was accounted for by merchandise from transshippers?**	
Electronics	37%
Major Appliances	31%
Electric Housewares	13%

What do you expect these percentages will be for 1980?**	
Electronics	38%
Major Appliances	34%
Electric Housewares	12%

Do you pay the transshipper cash on delivery of goods?	
Yes	63%
No	37%

Does the transshipper drop-ship to your customer or does he ship to you for delivery to your customer?	
Drop-ships	4%
Ships to me	80%
Both	16%

Is your profit margin on transshipped goods higher, lower or about the same as on goods from your regular suppliers?	
Higher	39%
Same	35%
Lower	26%

Have you been getting any pressure from your regular suppliers to stop using the services of transshippers?	
Yes	27%
No	73%

If you are not presently working with a transshipper, are you considering doing so in the future?	
Yes	15%
No	85%

**Totals more than 100% due to multiple answers.*

***Percentage figures are averages.*

"If distributors could enforce franchises, transshipping would not be necessary."

See X-rated sales as high as 70% of total prerecorded market in '79

More than ever, there's profit in porn.

Currently, X-rated videocassettes account for up to 70% of total prerecorded tape sales, according to industry estimates, and although no firm figures are available, at least one educated estimate places total adult tape volume at $7-7.5 million.

Much of the increase in sales is due to an even more dramatic increase in the outlets stocking X-rated videocassettes. Tapes have moved from adult movie houses and book stores into video and appliance stores.

Improved sales of videocassette recorders have also further broadened the adult tape market.

Yet despite the volume growth in adult tapes, their share of total market may be slipping. This is primarily due to the ever widening variety of general release films being introduced.

Adult tapes account for 60-70% of the total prerecorded videocassette market, according to David Friedman, chairman of the board, Adult Film Association of America. Friedman also heads TVX, X-rated tape distributor, and Entertainment Venture Inc., which handles general releases.

$7-7.5 million

For 1979, he estimates, porn tape sales totalled about $7-7.5 million industry-wide. He reached that figure by multiplying his own company's $1.5 million 1979 sales roughly by five—the number of major distributors—and "adding in the little guys."

This represents an increase of about 30% over 1978 volume, he said. In fact, his company's sales have jumped about 75% in the past three years.

"Our first year in business (1975), we made $800,000 in gross sales. In 1978, that figure reached a little over a million dollars. This year it was about $1.5 million." For 1980, he projects another 50% increase.

TVX now distributes 2,500 adult titles, out of a total 3,800. A major factor contributing to the substantial increase in adult tape volume is the number of outlets now carrying the category.

During TVX's first year in business, its tapes were stocked "only in adult theatres and adult book stores," said Friedman. "That's a very small part of the business now. Today, the average hardware dealer in every town carries them.

Over 700 customers

"When we started," he added, "we had maybe 35 customers. Today there are over 700." Further, Friedman says he doesn't know of any part of the country that is not handling adult tapes right now. "We ship to 50 states."

And while TVX does not currently sell to major department stores, Friedman expects those outlets to start carrying adult tapes "within the next year to year and a half." In that event, however, "the labels and titles will have to be subdued greatly."

And Quality X's president Robert Sumner reports that some major appliance chains are already carrying the line. He says adult tape sales have tripled in the past 12 months both for

Merchandising's TOP 50

	Last Month's position	Months on chart
1. The Godfather	6	6
2. Saturday Night Fever	8	6
3. The Godfather II	9	3
4. M*A*S*H	1	15
5. The Sound of Music	3	10
6. Murder on the Orient Express	34	3
7. Looking for Mr. Goodbar	22	3
8. Butch Cassidy & the Sundance Kid	4	3
9. Marathon Man	27	2
10. Patton	2	15
11. Wild Geese	7	11
12. King Kong (new)	N	1
13. Carnal Knowledge	13	12
14. The Man Who Would Be King	28	14
15. The French Connection	5	15
16. The African Queen	11	6
17. Barbarella	43	3
18. The Dutchess & the Dirtwater Fox	49	3
19. The Longest Day	15	15
20. Love Story	N	2
21. The Adventures of Sherlock Holmes' Smarter Brother	N	1
22. Bruce Lee—Super Dragon	16	13
23. The King & I	20	15
24. Nashville	N	1
25. Hello Dolly	12	15
26. A Touch of Class	18	6
27. Papillon	19	13
28. Tora! Tora! Tora!	14	15
29. The Day the Earth Stood Still	40	9
30. Heckle & Jeckle	31	5
31. Mighty Mouse	24	12
32. The Hot Rock	35	13
33. The Graduate	10	12
34. Night of the Living Dead	17	7
35. Paper Chase	25	13
36. The Lion in Winter	29	10
37. The Betsy	N	12
38. Von Ryan's Express	26	15
39. Sand Pebbles	41	11
40. King Kong (old)	23	12
41. Tunnel Vision	21	7
42. Citizen Kane	42	13
43. The Sailor Who Fell from Grace with the Sea	30	10
44. Reefer Madness	N	2
45. History of the Beatles	N	6
46. A Man & A Woman	32	11
47. Fantastic Voyage	33	15
48. The Hustler	36	10
49. The Beatles at Shea Stadium	38	10
50. The Day of the Dolphin	N	8

CES, NHMA SHOW COVERAGE

formerly Merchandising Week

AGRALLA PUBLICATION

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON MIND

FEBRUARY 1980

RECEIVED
FEB 11 1980

C 4200-1

59-A 8006 UL
ACQ EDITOR
CONGRESSIONAL INFO SVC
7101 WISCONSIN AVE
WASHINGTON DC 20014

Racing for Profits— Olympian Retailers of Major Appliances

Formerly Merchandising Week

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

February 1980

MA Pacesetters 16B

There are always some retailers who go against the grain, the ones who bloom while others fade, especially when the going gets a bit sticky. *Merchandising* correspondents take a close look at some of these "Olympians" of major appliances. They are dealers of several different types—ranging from department stores to discounters to chains to independents to kitchen remodelers—and they're spread geographically from Hawaii to Connecticut. But they have one thing in common: They're all "pacesetters" in their respective markets.

CES, NHMA SHOW COVERAGE
Merchandising
Racing for Profits—
Olympian Retailers of Major Appliances

NHMA Coverage 40

The tone of NHMA's National Housewares Exposition was definitely upbeat. Buyers and sellers spent much time discussing spring programs and promotions. No one was playing the dating game, money is just too expensive.

It appears that almost everybody is getting into the gourmet act—food and drug chains, catalog chains and showrooms, as well as hardware stores.

SilverStone, stainless steel and an increased interest in professional pots highlighted the cookware scene.

Food processor sales, reported mixed, are still a healthy part of projected electric housewares business for the '80s.

Prerecorded Videocassette Report 58

Simultaneous release of feature-length films through motion picture houses and cassettes should be more noticeable by spring. Also, look for more how-to tapes, price changes (some higher, a few lower), a rapidly expanding list of titles from some of the "new" entrants into the market, and a jump by more adult programmers into the general release business.

As for this month's Top 50 chart, it's topped by "The Godfather"—both of them.

CES Coverage 47

Most of the talk on the CES floor was about video—all kinds of videotape and videodisc hardware.

Most audio/hifi dealers were generally surprised, if not just plain miffed, at the lack of deals, dumps and dating programs at the show.

And in the personal electronics area, it became evident that the new products are becoming even more personal—they talk back.

Sales Training 16A

Sales training is like the American flag, motherhood and apple pie—almost everybody's for it. However, this month's Retail Opinion File finds dealers disagreeing about almost everything else involving sales training except that it's a must."

NARDA Coverage 64B

"Tomorrow" was the theme of this year's NARDA meeting in Las Vegas, but much of the hallway and seminar talk dealt with the fundamentals of merchandising and business management.

Gross margins were mentioned frequently, as were inflation, energy costs, sales training and promotion.

One projection: The home electronics business will nearly double by the end of the '80s.

Happenings

Despite strong advertising programs and new product introductions, retail telephone sales have been disappointing to retailer and manufacturer alike, a study by Venture Development Corp. shows 66

The largest first-quarter retail promotion in RCA's history is underway and it's concentrated on color tv and VCR products 67

Matsushita will enter the videodisc market with a system that's not compatible with either RCA's or Magnavox's..68

From the Capital 6

Different rules for big and small stores have been written into the FTC regulations on warranties, spelling out what merchants must do to see to it that shoppers can examine warranty terms before buying.

Trendings 8

- Non-electric housewares buyers say they are in an excellent position after a "fantastic" Christmas.
- Spring planning for electric housewares is being done gingerly after a shelf-emptying but marginless Yule.
- Color tv sales are still strong, and dealers see some bright spots in a mixed VCR picture.
- Major appliance retailers remain unworried as they anticipate sales marginally off the '79 pace.
- Audio/hifi dealers expect a tough first half, but a good year overall.
- Personal electronics merchandisers count on heavy "birthday" promos to keep the ball rolling this month.

Store Operations 56

The door to retail success in the '80s will be opened by computers, if equipment exhibitors at the National Retail Merchants Assn. convention have their way.

Noteworthy were new hardware and software packages designed for the smaller retailer.

Product Picture

Electronics 62-63
Housewares 64-64A
Major Appliances 61

Coming in March *The 58th Annual Statistical Issue & Marketing Report—a compilation of what happened in 1979 in the major appliance, housewares and consumer electronics industries.*

A GRALLA PUBLICATION
VOL. 5, NO. 2 FEBRUARY 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)
Editor...................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Assistant Editor............Joyce Jarcho
Field Editor.........Stephanie Azzarone
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
............................Susan Benvenuto
Assistant Production Manager
....Vicki Lauro
Circulation Director....James Fischer
Circulation Manager............Lisa Hoff

Direct Mail Manager...Barbara Nastro
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment • Catalog Showroom Business • Contract • Giftware Business • Health Care Product News • Kitchen Business • Meeting News • Multi-Housing News • National Jeweler • Premium/Incentive Business • Professional Furniture Merchant • Sporting Goods Business • Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Retail Opinion File

Sales training:

You can never have enough of a good thing

'No matter how much you know about the product, over 50% of closing is based on human nature.'

Sales training can take many forms, but it all boils down to an attempt to upgrade the skills and capabilities of retailers and their salespeople. Whether it is training people how to discuss and demonstrate product effectively, or how to greet and qualify customers and how to close the deal, it's like the American flag, motherhood and apple pie—everyone's for it.

Nevertheless, few retailers are totally satisifed with the quality or kind of training available today, according to this month's Retail Opinion File. And not everyone includes sales training as part of his operation. In fact, a surprising 32% of the respondents to this survey said their salespeople did not participate in any sales programs at all in 1979.

Yet, few denied the importance of training. As one dealer commented, "We have too many so-called salespeople who in reality are sales clerks. Sales training is the main ingredient in making them more aware and professional."

And another noted, "It has to be a never-ending effort. Even the pros have to keep learning. The time and money spent on sales and product training pays off in big dividends—more sales, faster sales, more profitable sales."

Among the 68% whose salespeople had some form of sales training last year, 59% said training meetings were held once every two months or less, while 41% indicated a frequency of at least once a month. And 32% stated they expected to increase the frequency of their training efforts this year vs. the 66% who planned no change. A scant 2% noted that they would hold less-frequent training events in 1980.

In a majority of cases (53%), training efforts were both store- and manufacturer-sponsored, while only 9% carried on store-only training programs. However, respondents apparently have more confidence in their own sales meetings, at least to the extent that 72% said they held such sessions at least once a month, with 26% staging them at least once a week.

Although 84% of the retailers answering this month's questionnaire said they were satisfied with the results of manufacturer-sponsored training for their salespeople, the 16% who dissented were sharp in their criticisms.

"Too much sugar coating," said one. Another dealer said, "The reps are not prepared or just don't know what's needed."

While one retailer said, "Too much is crowded into too short a time," another felt that manufacturer programs were "not complete enough."

One respondent complained, "Our salesmen usually wind up training the manufacturer's reps." "Most of the trainers don't know a good product story," said another; "they (manufacturers) no longer have capable people."

But not everyone was critical of manufacturers' training programs. One retailer observed, "With the rapid changes in products and markets, sales training must be more flexible than a factory-sponsored program would permit. Training is necessary on an individual basis."

Questionnaire

Did your salespeople participate in sales training programs in 1979?

Yes	68%
No	32%

How frequently do your salespeople participate in sales training meetings?

At least once a week	14%
Once every two weeks	6%
Monthly	21%
Once every two months	12%
Once every four months	17%
Less frequently than above	30%

What change do you expect in this frequency in 1980 as compared with '79?

More frequent	32%
No change	66%
Less frequent	2%

Is this sales training store-sponsored, manufacturer-sponsored, or both?

Store-sponsored	9%
Manufacturer-sponsored	38%
Both	53%

If you have store-sponsored sales training meetings, how frequently do you have them?

At least once a week	26%
Once every two weeks	9%
Monthly	37%
Once every two months	8%
Once every four months	7%
Less frequent than above	13%

If your salespeople participate in manufacturer-sponsored sales training programs, are you satisfied with the results?

Yes	84%
No	16%

What is your salespeople's opinion of sales training?

Very important	46%
Moderately important	46%
Indifferent	7%
Waste of time	1%

Did your salespeople participate in product training programs in '79?

Yes	77%
No	23%

Which product(s) did this training emphasize?*

Electronics	70%
Major Appliances	62%
Housewares	9%

In your opinion, should manufacturers emphasize sales training rather than product training?

Yes	45%
No	55%

**Adds to more than 100% because of multiple replies.*

And another dealer suggested, "Videotapes from suppliers for both sales and product training would be much more beneficial, and longer lasting, too."

Although 77% of the merchants answering the current Retail Opinion File said their salespeople participated in product training during 1979, opinions were divided on the relative importance of sales vs. product training.

"Sales training without product training," said one dealer, "limits product knowledge and will tend to limit salespeople to the customer who is well read and already knowledgeable about the product."

Stated another, "I would rather have my people completely familiar with the product." While a third retailer pointed out, "In today's climate, salesmen need product knowledge to convince the customer to buy his brand over another."

And another respondent suggested, "Sales training is great if you're trying to make a salesperson out of someone, but your best bet is to hire a good salesman to start with and train him on the product you're selling."

And 55% of the retailers replying to the *Merchandising* poll agreed that manufacturers should emphasize product rather than sales training.

But among the dissident 45%, opinions were strong, too. As one dealer commented, "A good salesman can sell poor merchandise; a good piece of merchandise is hard to move with a poor salesman."

And another one insisted, "No matter how much you know about the product, over 50% of closing is based on human nature."

"Sales training is very necessary," said another dealer. "Salesmen need continuous training for new ideas, new approaches, added excitement. It's always good to brush up and pick up some pointers."

Still another retailer believed that most product training was too "spec" oriented. "Customers in general do not understand or care about specs. They want to know only how the specs translate into benefits for them. Training should be geared to translate features into customers benefits," he said.

In sum, although there is unquestionably room for improvement in sales training efforts, according to many respondents, there is no real question about the desirability of good sales training. As one retailer put it: "You can't have too much of a good thing." ●

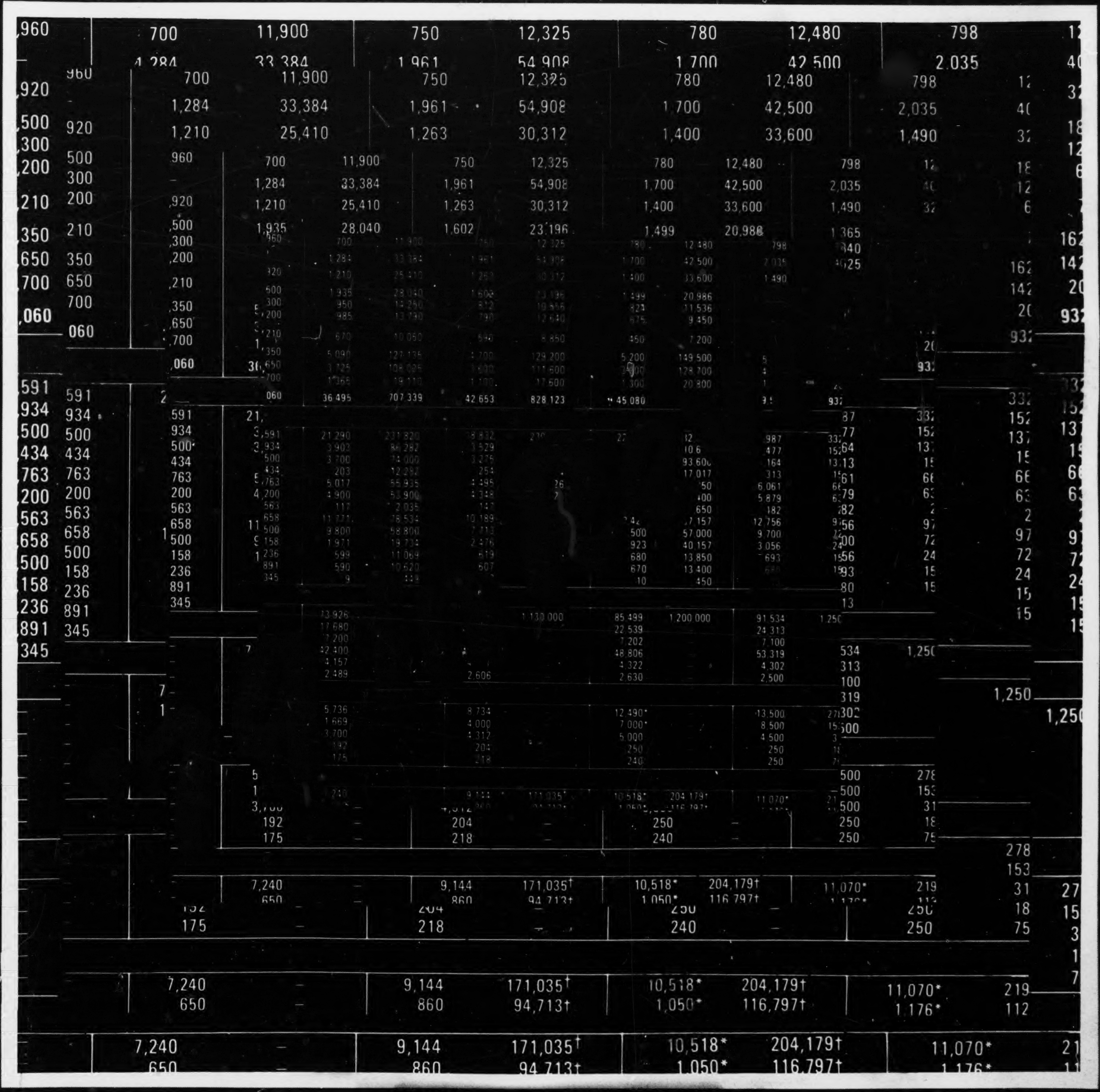
Merchandising's TOP 50

	Last month's position	Months on chart
1. The Godfather	1	7
2. The Godfather II	3	4
3. Saturday Night Fever	2	7
4. M*A*S*H	4	16
5. The Sound of Music	5	11
6. Patton	10	16
7. Butch Cassidy & the Sundance Kid	8	4
8. The Longest Yard	N	1
9. Looking for Mr. Goodbar	7	4
10. Citizen Kane	42	14
11. The African Queen	16	7
12. Chinatown	N	1
13. The Graduate	33	13
14. Death Wish	N	1
15. King Kong (new)	12	2
16. Marathon Man	9	3
17. Murder on the Orient Express	6	4
18. Tunnel Vision	41	8
19. French Connection	15	16
20. Carnal Knowledge	13	13
21. Wild Geese	11	12
22. Nashville	24	2
23. Pretty Baby	N	1
24. Tora! Tora! Tora!	28	16
25. Barbarella	17	4
26. The Adventures of Sherlock Holmes' Smarter Brother	21	2
27. Hello Dolly	25	16
28. A Touch of Class	26	7
29. Papillon	27	14
30. King Kong (old)	40	13
31. The Shootist	N	1
32. The Lion in Winter	36	11
33. Mighty Mouse	31	13
34. The Longest Day	19	16
35. The King & I	23	16
36. Night of the Living Dead	34	8
37. The Dutchess & the Dirtwater Fox	18	4
38. Reefer Madness	44	3
39. In Praise of Older Women	N	2
40. Love Story	20	3
41. The Beatles at Shea	49	11
42. Bruce Lee—Super Dragon	22	14
43. Heckle & Jeckle	30	6
44. The Sailor Who Fell From Grace With the Sea	43	11
45. Paper Chase	35	14
46. A Man and a Woman	46	12
47. Fantastic Animation Festival	N	4
48. The Day the Earth Stood Still	29	10
49. Sand Pebbles	39	12
50. The Great Dictator	N	6

DEALERS SEE DIM PREVID PICTURE

Merchandising

C 4200-1 UB



BEST AVAILABLE COPY

Formerly Merchandising Week

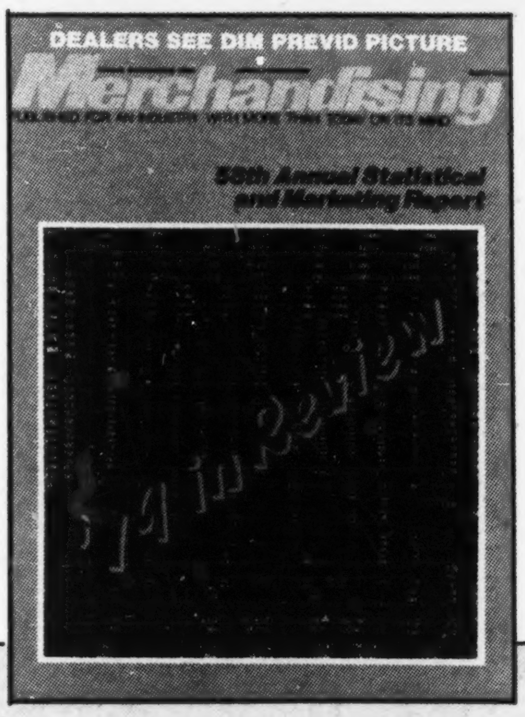
Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

FOR OVER 60,000 READERS
51,000 RETAILERS

March 1980

58th Statistical & Marketing Issue


DEALERS SEE DIM PREVID PICTURE
Merchandising
58th Annual Statistical and Marketing Report
'79 in Review

This is *Merchandising's* 58th annual Statistical Issue & Marketing Report to the housewares, major appliance and consumer electronics industries.

As in the past, our editorial staff has added a few products to our statistical data gathering program, dropped some of the previously published data which we believe is no longer useful to our industries, but the final result, we think, is an improved package of vital information to be used as a year-round tool for better merchandising and marketing.

Contributors include editors Ron Schneiderman, Fred Gottesman, Lois A. Panosh, Jack Blood and researchers Fern Milman and Selma Book.

19

Trendings

- February promotions keep color tv and VCR sales perking, especially in Northeast.
- Compacts, better prices on separates, and metal tape decks supply helpful mini trends in audio.
- Many dealers say non-video games aren't for everyone despite booming sales.
- While margins are a matter of concern, electric housewares buyers are pleased at sales pace.
- Glassware challenges and excites non-electric housewares merchants.
- Heavy promotional thrust keeps major appliance volume close to last year's levels.

10

Retailers Take Dim View of Previd

Videotape recorder sales are growing at a good clip and the prerecorded videocassette market is blossoming, too. Nevertheless, many merchants hold a dim view of the prerecorded software business, this month's RETAIL OPINION FILE finds.

They express general confusion, while many others see the outlook as murky, and that making any substantial commitment to this particular market is, at least at this time, premature.

8

Store Operations / Display

Video specialist, on deadline for a new store opening, found custom store designers couldn't meet timetable so he went to a modular display house. Result was a package that provided image, flexibility and reasonable cost . . . and on time.

80

Energy vs. Prices

Based on what the appliance industry knows today, minimum energy efficiency standards will probably increase the cost of many of its products beyond the levels attributable to inflation alone.

But that's just one of the industry's concerns, as we discovered at a recent energy seminar.

71

Rack Jobbers Poised for Previd Market

Rack jobbers, pushed perhaps by the need to make up for lost record sales and profits, have begun to speed up their plans to get into video software markets. Some are still test marketing, taking the cautious road. Others have decided to jump right in and have already begun to sign on retailers who are happy to get the help, even if they have to share the profits.

As one rack jobber put it, "It's an excellent opportunity for us."

73

PULSE: Snow Throwers 104

Snow or no snow, retailers are reporting record sales of snow-throwing equipment in certain parts of the snowbelt. Remembering the blizzards of 1978-79, most sales came in September and October, helped along by a variety of pre-winter promotional programs.

From the Capital 6

The Federal Trade Commission has always had a major impact on retailers, and that's why the drubbing that the FTC is taking from Congress will affect the way merchandise is promoted, sold, and paid for in the years to come.

Product Picture

Electronics....................92-100

Housewares....................87-91

Major Appliances...........85-86

Happenings

- NAHB Show: Industry leaders see remodeling, replacement business cushioning housing slump................102
- Crosley Group expands lines, plans to double sales in 1980........................105
- Toy Fair: Manufacturers extending use of microprocessors beyond games and vehicles..106
- Imports of consumer electronics products off, color tv drops most.....107
- AHAM: Predicts major appliance shipments in 1981 will rise 5%...........108
- NARDA: Computerized retail index shows white goods sales in '79 did better than brown goods...................109

Coming in April

★ *How competitors live in K mart's shadow*
★ *ITA Video Seminar*
★ *Store Operations: Meeting the energy crunch*

A GRALLA PUBLICATION
VOL. 5, NO. 3 MARCH 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)

Editor..................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Assistant Editor...........Joyce Jarcho
Field Editors.............Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction.................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
............................Susan Benvenuto
Assistant Production Manager
....Vicki Lauro
Circulation Director....James Fischer
Circulation Manager............Lisa Hoff

Direct Mail Manager...Barbara Nastro
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Retail Opinion File

Prerecorded video picture blurred for many retailers

Questionnaire

Do you sell prerecorded videocassettes?

Yes	15%
No	85%

If "yes" to above, how many titles do you currently carry in inventory?

5 or less	21%
6-10	14%
11-25	17%
26-50	15%
51-100	18%
Over 100	15%

What change do you expect in your inventory position in 1980?

Higher	65%
No Change	29%
Lower	6%

Who has responsibility for selecting your prerecorded videocassette titles?*

Store owner	44%
Store manager	36%
Sales manager	8%
Buyer	23%
Rack jobber	3%
Other	3%

**Adds to more than 100% due to multiple answers*

What percentage of your titles do you return or exchange because they are slow sellers or non-sellers?

None	55%
1-5%	14%
6-10%	11%
11-15%	5%
16-20%	9%
Over 20%	6%

What percentage of your advertising budget went to prerecorded videocassettes in 1979?

Less than 1%	63%
1-5%	23%
6-10%	9%
Over 10%	5%

What change do you expect in this percentage in 1980?

Higher	61%
No Change	33%
Lower	6%

Are you satisfied with the profits from your prerecorded videocassette sales?

Yes	46%
No	54%

Have your prerecorded videocassette suppliers told you whether prices will change during the next 6 months and if so, how?

Higher	15%
No Change	8%
Lower	11%
No indication given	66%

Do you sell videocassette recorders?

Yes	95%
No	5%

If "yes" to the above, what is the average number of prerecorded videocassettes you sell with each VCR sale?

None	45%
1-2	47%
3-4	8%

Do you sell X-rated prerecorded videocassettes?

Yes	59%
No	41%

If you don't sell prerecorded videocassettes, why not?*

Too costly to stock	44%
Not enough profit	14%
Not enough display space	15%
Don't like titles currently available	14%
Other	33%

**Adds to more than 100% due to multiple answers*

Videotape recorder sales are growing at a good clip. Helped along by strong promotions and the addition of hundreds of new titles recently, the prerecorded videocassette market is blossoming, too, according to most reports.

Nevertheless, many merchants hold a dim view of the prerecorded software business, this month's Retail Opinion File finds.

Apart from evidence of lots of generalized confusion among some dealers, many others feel the outlook is murky, and making any substantial commitment to this particular market is, at least at this time, premature in their judgement.

For one thing, only 15% of those retailers who replied to *Merchandising's* current poll are currently selling prerecorded videocassettes. Yet, a whopping 95% of the respondents sell VCRs.

Some of the reasons given by dealers for not carrying any prerecorded product sound like an indictment of the industry:

"No one has ever approached us. Our inquiries get only some literature in the mail; no follow-up," complained one retailer.

"We'd like more information, but nobody has come to us with a program," charged another.

In addition to noting apparent lack of communication from suppliers, other retailers cited more practical, if local, reasons for not stocking prerecorded videocassettes.

Said one merchant, "There aren't enough (VCR) machines in our market to warrant stocking tapes. The demand isn't big enough yet to justify the risk."

Then, there's the age-old complaint: "Not enough margin to make it worthwhile. There's no use being in an unprofitable business."

Another familiar cry was, "Too many discounters are selling the product at ridiculous prices." Or as still another retailer protested, "Not with a biggie like Fotomat getting into the act."

Perhaps more pertinent was the response of several dealers who gave as their reasons for avoiding prerecorded videocassettes, "It's too expensive to stock with the need for both Beta and VHS. I'll reconsider when there's a single format."

Another reason given for their hesitancy was the impact of the videodisc on the prerecorded videocassette market.

"I feel the videodisc will virtually eliminate the need for prerecorded cassettes," said one. And another dealer predicted, "With the introduction of the RCA videodisc, the customer is going to be as confused as was the case with quad sound. It'll be another Edsel."

But even among those retailers who currently carry prerecorded videocassettes, there is a measure of confusion as well as complaint. For one thing, 67% of the respondents said they stocked 50 or less titles, and 21% noted they carried a mere five or fewer titles.

As to why so few titles, a common reply was, "I just can't get a handle on what titles to stock. I'm afraid that unsold stock could wipe out any profit on what was sold."

Still, 65% of respondents to the survey asserted that they were planning to expand their inventory position this year, and only 6% said they'd decrease their stocks. And by way of confirmation, dealers insisted, "We need more titles—more sports, newer movies."

And many of the dealers currently carrying prerecorded videocassettes expressed a measure of optimism about the product's potential. Although 63% admitted to spending less than 1% of their advertising budget in 1979 to promote prerecorded software and another 23% spent 1-5%, 61% said they were scheduling budget increases this year. Only 6% planned to reduce their ad effort.

Of course, some of these same retailers who were boosting their ad expenditures also complained about what they considered was a lack of advertising support from their suppliers.

An even more tender subject with many dealers, however, is the issue of returns. "We need better return privileges" was an oft-repeated comment. And many retailers indicated a key reason they didn't stock more titles was their fear of being stuck with slow- or non-sellers.

To the question of "what percentage of your titles do you return or exchange because they are slow sellers or non-sellers," a very substantial 55% of the respondents replied "none." Another 25% said they returned or exchanged up to 10% of their titles. Twenty percent noted returns or exchanges on over 10% of their stocks.

Profitability is another concern of stores carrying prerecorded videocassettes. Only 46% of the respondents to this survey said they were satisfied with their profits on the product. Coments, however, suggest that the 54% who are not satisfied are not talking only about margins. As one dealer said, "For the investment involved, turnover is very slow."

The X-rated videotape is another problem area for many merchants. Although 59% of the retailers answering this poll carry X-rated material, many are not happy about it.

"Porno is selling two to one over other tapes," stated one dealer, "even though we don't advertise X-rated and we keep it out of sight."

Another said he solved both the X-rated issue and the expense of carrying an inventory. "We special order only. With delivery in only four or five days, we see no reason to stock tapes. Another thing," he added, "75% of our sales are in X-rated and we wouldn't stock X-rated stuff anyway." Still another dealer who also used the special order route noted, "We can make a better margin and without the cost of inventory."

And finally, retailers had lots of advice for prerecorded videocassette suppliers:

Said one, "The small dealer is at a disadvantage when it comes to sources. We need rack jobbers." (See related story on p. 73.)

"We need better-designed display racks for both blank and prerecorded tapes," noted another.

"The quality is poor," commented still another retailer. "We'd like to see the tapes produced on industrial machines with their wider head gap, better picture and more tracking tolerance."

All in all, dealers—whether they're currently in the prerecorded videotape business or not—are far from happy about it. Based on the tenor of the replies to this Retail Opinion File, it would seem that the supplier still has a way to go to improve his communications with the retail community, clarify the many misconceptions, satisfy valid complaints and do whatever else is necessary to brighten the picture for those who want to sell this newest of home entertainment products to the consumer.

Otherwise, as was the case with audio, the industry will split, and it will end up with those who produce and sell hardware, separate from those who deal in software. •

58th ANNUAL STATISTICAL & MARKETING REPORT

Merchandising
STORAGE
ON
OFF

CONTENTS

Major Appliances
  Analysis & 10-Year Table 20, 22-23
  Highlights 26, 27

Housewares
  Analysis & 10-Year Tables 30, 32-35
  Highlights 36, 38, 40, 41

Electronics
  Analysis & 10-Year Table 43, 45, 48-49
  Highlights 52, 53, 54

World Marketing
  Exports/Imports 56, 57, 58

Product Saturation
  Analysis 59
  1979 Levels 60
  10-Year Table 61

Retail Sales Surveys
  Regional Sales Patterns 62, 67, 68
  Market Profiles 68, 69
  Replacement Sales Survey 70

Product-by-Product Index 70

Compiled by
Fern Milman
Research Associate
Selma Book
Research Assistant

10-Year Tables: Major Appliance Analysis

The last year of the '70s wound up as one of the strongest in major appliances.

While the 39,872,000 units amassed in 1973 remains the high-water mark, the 36,465,000 units recorded last year was no small achievement and well above the 1975 recession low of 28,291,000.

Moreover, the 1979 numbers were achieved in a none-too-robust sales climate, what with all the talk of another recession.

It was also a year of mergers and acquisitions: The addition of Frigidaire to the White Consolidated family of Gibson, Kelvinator, Vesta and Westinghouse (while dropping Bendix and Hamilton). The acquisition of Admiral and Norge by Magic Chef. The addition to the Raytheon lineup of Amana, Caloric and Glenwood/Sunray through acquisition of Modern Maid and Speed Queen from McGraw-Edison. The acquisition of Jenn-Air by Carrier (which in turn was acquired by United Technologies Corp.) The takeover of Tappan by the Swedish conglomerate, Electrolux, (which is the parent of Emerson Quiet Kool and Eureka).

Largest dollar results

The numbers recorded in 1979 were big in any event. The total retail value of $13 billion is the largest ever. The cost of inflation and conformance to government regulations—notably in making appliances more energy efficient—were major factors in this dollar increase. But so too was the strong demand for larger and better-featured appliances.

Refrigeration

The biggest volume, in units—as well as dollar value—was again chalked up by refrigerators, with over 6 million units, including nearly 500,000 compacts.

The slight downturn in refrigerator sales, as shown in the charts, was largely due to the drop-off in builder sales, reflecting the tight-money induced slump in housing.

Freezers, on the other hand, showed sales gains in all configurations—chests, uprights and compacts—in a sales surge fueled by the inflationary costs of food and gas which led to fewer shopping trips.

Chests, which are particularly strong in rural areas, topped the million-unit mark for the first time since 1975.

Total sales exceeded 2 million units, with chests as 1,001,000; uprights, 858,000; and compacts, 549,000.

Air treatment

Higher costs, dictated by energy efficiency requirements, as well as less favorable weather conditions contributed to lower room air conditioner unit volume, 3,749,000. But this was surpassed in the last five years, only by the previous year's 4,037,000, and the retail value of over $1.3 billion was the highest ever.

Electronic air cleaners edged up to 247,000 units from 231,000.

But the big gainer in the air treatment category was the dehumidifier. Demand generated by the thaws from last winter's heavy snows in much of the Midwest where demhumidifer sales predominate, contributed to a record sales year of 684,000 units, a whopping 55% gain over 1978's 441,000.

The retail value of $61.7 million also set a new high.

Microwave ovens

New sales highs were registered in another category, microwave ovens.

Continuing its uninterrupted growth, this category posted new highs in total unit volume—2,422,000; countertops, 2,190,000; and combinations units, 232,000—as well as dollar volume.

The latter, at $1.1 billion, broke the billion-dollar barrier for the first time, with the growth in combination units and continuing popularity of high-end features like touch control and probes key factors.

Ranges

However, sales of ranges—the most "builder sensitive" of appliances—experienced declines. Gas units, bolstered by improved fuel availability and utility promotion, slipped a mere 3,000 units to 1,794,000. Electrics, hurt more by the home building decline, dropped to 3,003,000 from 3,218,000.

Cleanup appliances

Dishwasher volume slipped 1.9% to 3,488,000, with a 13.9% drop to 585,500 in portables overcoming a slight gain, to 2,994,000 in built-ins. A slight gain, to 3,316,000—a new high—was registered by disposers, but compactors slipped 2.2% to 293,000.

Home laundry

Although off a bit, it was another big 8.5 million unit year for home laundry. One segment showing a gain was gas dryers, the slight 1.5% improvement being of a similar magnitude as the dips in automatic washers, electric dryers and compacts.

With the new highs in microwave ovens, dehumidifiers and disposers, and growth in freezers, offsetting the small losses in most other products, 1979 provided a fine finish to a decade. ●

TEN YEAR TABLES:

Product Sales Growth & Performance

**MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE
IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE**

MAJOR APPLIANCES

PRODUCTS	1970 NUMBER SHIPPED (000)	1970 RETAIL VALUE (000)	1971 NUMBER SHIPPED (000)	1971 RETAIL VALUE (000)	1972 NUMBER SHIPPED (000)	1972 RETAIL VALUE (000)	1973 NUMBER SHIPPED (000)	1973 RETAIL VALUE (000)	1974 NUMBER SHIPPED (000)	1974 RETAIL VALUE (000)
AIR TREATMENT										
Air Cleaners, Electronic	–	–	–	–	–	–	–	–	250	81,250
Air Conditioners, Room	5,887	1,206,835	5,483	1,147,376	4,508	910,616	5,346	1,069,000	4,564	931,056
Dehumidifiers	598	47,242	397	32,513	461	38,263	646	55,556	486	52,740
Total Air Treatment	6,485	1,254,077	5,880	1,179,889	4,969	948,879	5,992	1,124,556	5,400	1,065,046
KITCHEN APPLIANCES										
Dishwashers, Total	2,116	465,904	2,477	541,536	3,199	676,332	3,702	800,040	3,320	758,700
Convertible	680	129,880	712	137,397	842	162,506	981	193,257	860	180,600
Undercounter & Other	1,436	336,024	1,765	404,139	2,357	513,826	2,721	606,783	2,460	578,100
Disposers, Food Waste	1,977	128,505	2,292	137,490	2,771	171,802	2,974	193,310	2,553	194,028
Freezers, Total (10 cu.ft. & over)	1,359	302,173	1,437	311,085	1,577	342,094	2,415	532,702	3,219	754,376
Chest	569	129,163	635	137,203	731	159,358	1,013	222,860	1,327	307,864
Upright	790	123,010	802	173,882	846	182,736	1,402	309,842	1,892	446,512
Microwave Ovens, Total	30	15,000	100	45,000	325	130,000	440	167,200	635	217,000
Counter-Top	–	–	–	–	–	–	–	–	610	198,250
Combination Units	–	–	–	–	–	–	–	–	25	18,750
Ranges, Electric, Total	2,362	540,177	2,714	600,825	3,232	706,934	3,430	934,974	2,925	701,839
Free-Standing†	1,767	417,012	2,014	469,169	2,422	549,794	2,624	778,610	2,279	567,471
Built-In†	595	123,165	700	131,656	810	157,140	806	156,364	646	134,368
Ranges, Gas, Total	2,362	509,532	2,549	516,780	2,661	564,568	2,481	544,221	1,950	447,017
Free-Standing	1,815	353,847	1,963	363,174	2,052	404,244	2,110	424,110	1,669	352,222
High-Oven	222	85,355	223	81,322	219	84,534	202	80,396	156	64,222
Built-In†	167	43,368	117	43,438	194	44,038	169	39,715	125	30,573
Set-In*	158	26,962	186	28,846	196	31,752	–	–	–	–
Ranges, Smooth-Top	–	–	–	–	–	–	210	81,000	300	142,200
Refrigerators (6.5 cu.ft. & over)	5,286	1,448,364	5,691	1,542,207	6,315	1,705,050	6,774	1,889,946	5,982	1,764,690
Trash Compactors	–	–	100	26,000	210	48,300	320	70,400	315	66,150
Total Kitchen Appliances	15,492	3,409,655	17,360	3,720,923	20,290	4,345,080	22,746	5,213,793	21,199	5,046,000
HOME LAUNDRY										
Dryers, Total (25" or more in width)	2,981	525,089	3,377	582,713	3,925	688,597	3,966	699,754	3,274	599,145
Electric	2,129	359,801	2,527	417,021	2,989	505,141	3,040	515,480	2,535	443,955
Gas	852	165,288	850	165,692	936	183,456	926	184,274	739	155,190
Washers, Total (25" or more in width)	4,094	957,316	4,609	1,077,259	5,107	1,212,122	5,029	1,258,051	4,558	1,199,171
Automatic & Semi-Auto**	3,869	924,691	4,270	1,024,776	4,824	1,167,408	4,759	1,215,391	4,323	1,159,926
Wringer & Spinner	225	32,625	339	52,483	283	44,714	270	42,660	235	39,245
Total Home Laundry	7,075	1,482,405	7,986	1,659,972	9,032	1,900,719	8,995	1,957,805	7,832	1,798,316
COMPACT APPLIANCES										
Refrigerators (Under 6.5 cu.ft.)	–	–	–	–	–	–	329	45,731	375	54,375
Freezers (Under 10 cu.ft.)	–	–	–	–	–	–	280	47,320	300	54,000
Washers (24" or less in width)	–	–	–	–	–	–	475	87,875	390	74,880
Dryers (24" or less in width)	–	–	–	–	–	–	290	60,610	310	70,990
Total Compact Appliances	–	–	–	–	–	–	1,374	241,536	1,375	254,245
GRAND TOTAL – MAJOR APPLIANCES	29,052	6,146,137	31,181	6,560,784	34,291	7,194,678	39,107	8,477,890	35,806	8,163,607

*Set-Ins Included in Free-Standing 1973-1979

**Includes Combinations

†Includes Microwave Oven Combinations ***Revised

1975		1976		1977		1978		1979		
NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	PRODUCTS
										AIR TREATMENT
230	76,800	190	67,900	220	78,770	231	85,467	247	87,370	Air Cleaners, Electronic
2,670	640,800	2,962	740,500	3,270	912,330	4,037	1,312,025	3,749	1,327,146	Air Conditioners, Room
392	37,240	440	52,360	314	46,786	441	61,740	684	97,812	Dehumidifiers
3,292	**774,840**	**3,592**	**860,760**	**3,804**	**1,037,886**	**4,709**	**1,459,232**	**4,680**	**1,512,328**	**Total Air Treatment**
										KITCHEN APPLIANCES
2,702	697,155	3,140	855,110	3,356	993,780	3,557	1,081,750	3,488	1,138,216	**Dishwashers, Total**
755	181,200	803	200,750	651	181,280	586	190,450	504	174,384	Convertible
1,947	515,955	2,337	654,360	2,705	811,500	2,971	891,300	2,984	963,832	Undercounter & Other
2,080	187,200	2,516	251,600	2,941	323,510	3,313	284,918	3,316	295,124	**Disposers, Food Waste**
2,457	599,974	1,542	420,678	1,598	489,962	1,522	499,300	1,859	699,270	**Freezers, Total (10 cu.ft. & over)**
1,381	334,202	832	215,488	852	238,560	835	258,850	1,001	360,360	Chest
1,076	265,772	710	205,190	746	251,402	687	240,450	858	338,910	Upright
840	336,800	1,661	696,017	2,175	982,325	2,422	1,142,300	2,815	1,310,950	**Microwave Ovens, Total**
790	296,250	1,561	619,717	2,000	820,000	2,190	919,800	2,535	1,039,350	Counter-Top
50	40,550	100	76,300	175	162,325	232	222,500	280	271,600	Combination Units
2,082	512,946	2,463	664,745	3,009	919,071	3,218	1,132,050	3,003	1,151,502	**Ranges, Electric, Total**
1,568	401,408	1,762	491,598	2,193	699,567	2,337	841,320	2,244	870,672	Free-Standing†
514	111,538	701	173,147	816	219,504	881	290,730	759	280,830	Built-In†
1,618	382,767	1,823	488,767	1,753	536,605	1,797	618,618	1,794	643,498	**Ranges, Gas, Total**
1,381	302,439	1,569	390,681	1,494	431,766	1,546	511,395	1,538	524,458	Free-Standing†
112	48,203	123	58,917	126	61,614	123	62,976	128	71,552	High-Oven
125	32,125	131	39,169	133	43,225	129	44,247	128	47,488	Built-In†
–	–	–	–	–	–	–	–	–	–	Set-In*
275	144,375	267	140,175	274	147,412	249	137,697	220	139,040	**Ranges, Smooth-Top**
4,577	1,423,447	4,817	1,685,950	5,707	2,425,475	5,890	3,227,720	5,701	3,186,859	**Refrigerators (6.5 cu.ft. & over)**
233	52,425	249	57,021	277	66,480	300	72,300	293	73,543	**Trash Compactors**
16,864	**4,337,089**	**18,478**	**5,260,063**	**21,090**	**6,884,620**	**22,268**	**8,196,653**	**22,489**	**8,638,002**	**Total Kitchen Appliances**
										HOME LAUNDRY
2,680	672,130	2,982	785,538	3,339	929,599	3,392	863,611	3,333	905,517	**Dryers, Total (25" or more in width)**
2,008	494,050	2,274	588,006	2,603	716,895	2,635	651,651	2,565	679,725	Electric
672	178,080	708	197,532	736	212,704	757	211,960	768	225,792	Gas
3,978	1,292,680	4,237	1,509,953	4,648	1,731,206	4,728	1,711,290	4,666	1,706,364	**Washers, Total (25" or more in width)**
3,782	1,257,400	4,033	1,471,193	4,454	1,690,660	4,528	1,670,690	4,480	1,666,560	Automatic & Semi-Auto**
196	35,280	204	38,760	194	40,546	200	40,600	186	39,804	Wringer & Spinner
6,658	**1,964,810**	**7,219**	**2,295,491**	**7,987**	**2,660,805**	**8,120**	**2,574,901**	**7,999**	**2,611,881**	**Total Home Laundry**
										COMPACT APPLIANCES
318	50,880	347	56,561	333	54,945	549***	96,075***	498	86,154	**Refrigerators (Under 6.5 cu.ft.)**
279	53,010	243	46,899	245	47,775	262	52,400	282	70,500	**Freezers (Under 10 cu.ft.)**
250	53,000	255	55,335	285	62,770	310	70,990	299	75,647	**Washers (24" or less in width)**
190	44,460	192	50,688	214	57,780	229	64,349	218	63,220	**Dryers (24" or less in width)**
1,037	**201,350**	**1,037**	**209,483**	**1,077**	**223,270**	**1,350*****	**283,814*****	**1,297**	**295,521**	**Total Compact Appliances**
27,851	**7,822,959**	**30,326**	**8,625,797**	**33,958**	**10,806,581**	**36,447 *****	**12,514,600*****	**36,465**	**13,057,732**	**GRAND TOTAL – MAJOR APPLIANCES**

Sources: AHAM & GAMA. All appliances except Air Cleaners, Microwave Ovens, Smooth-Top Ranges, and Compacts include exports.

*Set-Ins Included in Free-Standing 1973-1979

**Includes Combinations

†Includes Microwave Oven Combinations

***Revised

MAJOR APPLIANCE HIGHLIGHTS

TOTAL MAJOR APPLIANCE VOLUME, IN UNITS

	1979		1978	
Product	Units (000)	% Of Total	Units (000)	% Of Total
AIR CLEANERS, ELECTRONIC	247	0.7	231	0.6
AIR CONDITIONERS, ROOM	3,749	10.3	4,037	11.0
DEHUMIDIFIERS	684	1.9	441	1.2
DISHWASHERS	3,488	9.6	3,557	9.7
DISPOSERS, FOOD WASTE	3,316	9.2	3,313	9.0
DRYERS (including compacts)	3,551	9.8	3,850	10.5
FREEZERS (including compacts)	2,141	5.9	1,784	4.9
MICROWAVE OVENS	2,815	7.8	2,422	6.6
RANGES, ELECTRIC (including Smoothtops)	3,003	8.3	3,218	8.7
RANGES, GAS	1,794	4.9	1,797	4.9
REFRIGERATORS (including compacts)	6,199	17.1	6,439	17.5
TRASH COMPACTORS	293	0.8	300	0.8
WASHERS (including compacts)	4,965	13.7	5,348	14.6
TOTAL	36,245	100.0%	36,737	100.0%

Analysis:

It may have been a virtual standoff in terms of overall unit volume, but a general upgrading in the product mix—and selling price—made 1979 a "plus" year for the major appliance industry.

Cutting across virtually every product category with varying degrees of impact was the energy issue. Adding to manufacturing, distribution and product costs in most cases, it also provided a new feature/benefit benefit to the market.

Microwave ovens

In cooking appliances, the time- and energy-saving appeal unquestionably contributed to the continuing record-setting sales growth of microwave ovens of all types. For example, more combination units were sold than ever before. With their $700-$1,000 selling prices, these units made a significant contribution to dollar volume.

Of 280,000 such models sold in 1979, compared with 232,000 the year before, 47,000 were single-cavity units, up from 45,000. The remainder were double ovens, of which 206,000 were with electric conventional oven (up from 166,000 in 1978) and 27,000 were with gas (up from 21,000).

Countertops, meanwhile, continued their substantial growth to 2,535,000 (up from 2,190,000). Such upgraded features as touch control, meat probes and recipe card programmables helped keep average selling prices high in the face of stiffening competition between domestic and offshore producers.

Other cooking appliances

In ranges, the convection cooking concept was being expanded in both gas and electric versions; induction cooking and modular cooktops made their appearance in electrics; and more energy-saving pilotless ignition units turned up in gas range lines.

All these helped stimulate a replacement market which at least partially overcame the negative effects of the home building slump, while raising the average ticket sale.

The sales share of self-cleaning oven models, another revenue producing feature, rose another notch to 39% in electric ranges and similarly to 12% in gas ranges.

Continuous-cleaning units lost a bit of ground, dropping to 22% of the electric range business (from 25%) and remaining at 36% in gas ranges.

Another segment losing ground, possibly due to consumer perceptions of poorer energy efficiency, was the smoothtop, where volume dropped 12% to 220,000 from 249,000.

Gas ranges retained their 4.9% share of the overall appliance market with virtually the same unit sales as a year ago, while electrics slipped to 8.3% from 8.7% on a unit sales decline. The microwave oven share of the appliance pie expanded to 7.8% from 6.6%.

Home laundry

Home laundry lost a bit of its market share: Washers dropped to 13.7% from 14.6% (although gas versions posted a 1.5% unit sales gain in slightly improving their position relative to electrics).

Energy usage improvements were less visible in laundry equipment than in most other products—aside from the elimination of pilot lights on gas dryers—and, in the main, were dependent on the user's selection of more cold water wash and rinse cycles.

Cleanup appliances

Dishwashers, too, lost a little appliance market share—to 9.6% from 9.7%—mainly because portable sales fell 82,000 units (built-ins gained 13,000 units). Like laundry, their energy-conservation story focused largely on users choosing no-heat drying cycles and maximizing loads.

Product developments included KitchenAid's built-in heater models which permit lower water heater settings and the "steam machine" from Thermador-Waste King. Also, better insulation (to retain heat and save energy) and loading flexibility were general industry trends.

Product improvement, primarily better sound absorbency, helped disposers gain sales and market share. Improved mechanisms, as well as bagging and air freshening features, were factors in trash compactors retaining their share.

Refrigeration products

Upgrading of product was evident in refrigerators. Higher price tags due to bigger capacities and more deluxe features, like ice and water dispensers, glass shelves and textured finishes, helped compensate for a 3% drop in unit sales. Despite the effects of the drop in builder sales, refrigerators retained the largest slice of the appliance pie with 17.1% (down from 17.5%).

No-frost models accounted for 80% of refrigerator sales, as they did a year earlier. The big change was the growing demand for larger capacity units and top-mounts.

Top-mounts increased their share to 74%, from 72%, while side-by-sides and bottom-mounts each dropped a point to 16% and 2%, respectively, and single doors held at 8%.

Freezers, given a boost by continuing inflated food prices, gained a percentage point, to 5.9% of the total appliance market. Also, there was a trend toward larger sizes, like in refrigerators.

Air treatment

Dehumidifiers, another product showing a 1979 sales gain, also improved their share a point to 1.9%.

Room air conditioners declined in sales, but saw high efficiency—7.5 EER and over—models increase their market share to 35% from 30%.

By size grouping, 7,000-10,999 Btus gained a point to 31%, while the 11,000-19,999 Btus slipped a point to 28%.

MAJOR APPLIANCE HIGHLIGHTS (continued)

FREEZER SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
10 – 14	335	18	457	30	-27
15	390	21	274	18	+42
16 & 17	409	22	259	17	+58
18 & 19	204	11	152	10	+34
20 & OVER	521	28	380	25	+37
TOTAL	1,859		1,522		+22

FREEZER SHIPMENTS BY DEFROSTING SYSTEM

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
NO-FROST	193	9	161	9	+20
ALL OTHER	1,948	91	1,623	91	+20
TOTAL	2,141		1,784		+20

REFRIGERATOR SHIPMENTS BY DEFROSTING SYSTEM

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
NO-FROST	4,959	80	5,112	80	-3
ALL OTHER	1,240	20	1,278	20	-3
TOTAL	6,199		6,390		-3

REFRIGERATOR SHIPMENTS BY FREEZING COMPARTMENT*

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
TOP-MOUNT	4,219	74	4,241	72	- 1
BOTTOM-MOUNT	114	2	177	3	-36
SIDE-BY-SIDE	912	16	1,001	17	- 9
SINGLE DOOR	456	8	471	8	- 3
TOTAL	5,701		5,890		- 3

*For Refrigerators 6.5 cu.ft. and over

REFRIGERATOR SHIPMENTS BY SIZE OF UNIT

Size in Cubic Feet	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
6.5 TO 11	342	6	471	8	-27
12 & 13	513	9	589	10	-13
14 & 15	1,254	22	1,237	21	+ 1
16 & 17	1,254	22	1,237	21	+ 1
18 & 19	1,084	19	1,119	19	- 3
20 & 21	684	12	648	11	+ 6
22 & OVER	570	10	589	10	- 3
TOTAL	5,701		5,890		- 3

ELECTRONIC AIR CLEANERS BY TYPE

	1979		1978	
Type	Units (000)	Retail Dollars (000)	Units (000)	Retail Dollars (000)
PORTABLE ROOM	56	12,880	53	8,215
CENTRAL & DUCT-MOUNTED	191	74,490	178	77,252
TOTAL	247	87,370	231	85,467

MICROWAVE OVEN/RANGE COMBINATIONS BY TYPE OF UNIT

	1979		1978	
Type	Units (000)	Retail Dollars (000)	Units (000)	Retail Dollars (000)
SINGLE CAVITY	47	39,950	45	33,975
DOUBLE OVEN, GAS	27	25,650	21	18,375
DOUBLE OVEN, ELECTRC	206	206,000	166	170,150
TOTAL	280	271,600	232	222,500

SMOOTH-TOP RANGES BY TYPE OF UNIT

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
FREE-STANDING	151	69	169	68	-11
BUILT-IN	69	31	80	32	-14
TOTAL	220		249		-12

GAS RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
SELF-CLEANING	215	12	198	11	+9
CONTINUOUS-CLEAN	646	36	647	36	—
ALL OTHER	933	52	952	53	-2
TOTAL	1,794		1,797		—

ELECTRIC RANGE SHIPMENTS BY CLEANING SYSTEM

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
SELF-CLEANING	1,171	39	1,223	38	- 4
CONTINUOUS-CLEAN	661	22	805	25	-18
ALL OTHER	1,171	39	1,190	37	- 2
TOTAL	3,003		3,218		- 7

ROOM AIR CONDITIONER SHIPMENTS BY EER RATING

Type	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
HIGH (7.5 & OVER)	1,312	35	1,211	30	+ 8
LOW (Under 7.5)	2,437	65	2,826	70	-14
TOTAL	3,749		4,037		- 7

ROOM AIR CONDITIONER SHIPMENTS BY SIZE OF UNIT

Size in (B.t.u.)	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total	% Change 1979/1978
Under 7,000	1,162	31	1,251	31	- 7
7,000–10,999	1,162	31	1,211	30	- 4
11,000–19,999	1,050	28	1,171	29	-10
20,000 & Over	375	10	404	10	- 7
TOTAL	3,749		4,037		- 7

10-Year Tables: Housewares Analysis

Seven of the eight major housewares categories tracked by *Merchandising* show increases in both units shipped and retail value for 1979 as compared to 1978.

Only half of these—kitchen electrics, personal care, air treatment and floor care—include products with a 10-year record.

A new addition to coffeemakers in 1972—the automatic drip models—now accounts for more than all coffeemakers shipped in 1970. . . . 8.3 million ADC units shipped in 1979 versus 8.1 million total coffeemakers in 1970.

Total coffeemaker shipments last year amounted to 12.1 million with a retail value of $298.3 million.

Irons more stable

In the same period, irons have been a more stable appliance, totaling just about one million more units shipped in 1979 than a decade ago.

Reflecting technological improvements such as self-cleaning and lightweight models, as well as inflation, the average price of an iron has risen about $11 over the past 10 years—from roughly $17 to $28.

The above points out a very important positive for housewares of all kinds—while other daily staples such as food, clothing and transportation have doubled, tripled and even quadrupled in price with little or no noticeable improvements since 1970, housewares have risen at a much lower pace, while the product—in most instances—has become more efficient.

Coffeemakers took first place away from irons in 1974 and toasters ceded third place to slow cookers from 1975 to 1977. However, toasters regained third place in 1978 and have strengthened their hold on this position—nearing the nine-million unit mark last year.

Thus the big three in kitchen electrics, irons, coffeemakers and toasters in 1970 became coffeemakers, irons and toasters in 1979—a slight shift in position but definitely at the head of the class which has grown from 13 to 23 items.

Personal care more volatile

The 10-year picture in personal care is defintely more volatile. The number of products tracked has doubled from seven to 14. Unit shipments of hair dryers—as well as kinds available—have more than tripled in the decade, from 6.1 million in 1970 to 18.4 million in 1979.

The average price has dropped. Ten years ago it was $24, last year it was $17. This is almost like going against gravity considering the greater efficiency and ease the higher wattage, more compact and cosmetically-improved units available today offer. The lower price reflects the highly competitive nature of the industry.

While hair dryers have the lowest retail price compared to 10 years ago, they do not stand alone in this category. Make-up mirrors averaged $22 a piece then, now the figure is less than $21; the average price of electric toothbrushes has dropped from $15 to $11; while hairsetters have held at $22 per unit. Water pulsators have risen in price from $18 to $20; heating pads from $6 to $9 and bed coverings (electric blankets) from $20 to $28. Being well-groomed—if you do it yourself—may be the least expensive item in today's budget.

Vac shipments stable

Vacuum cleaners have been relatively stable over the past decade. Total units shipped in 1970 were 7.4 million; in 1979 the total was 8.9 million. The growth was gradually upward to a 9.1 million peak in 1973, wavering between 1974 and the present.

Since 1971, it has been downward all the way for floor polishers. Unit shipments for last year totalled less than one-half the 1970 figure.

While unit sales of floor care—subtracting carpet sweepers which were not included 10 years ago—have gone up approximately 1.3 million, retail value has more than doubled. The average price of vacs has almost doubled and for floor polishers, gone up about one-third.

Energy helps fans and heaters

Total fan unit shipments plateaued at the 9.4 to 10.5 million level until 1978 when the energy crunch helped boost them to 11.6 million. Last year another healthy gain was posted, bringing fans to a unit total of almost 12.5 million with a retail value of $485.8 million.

Portable heaters have been another beneficiary of the Middle East oil price increases and reduced production. In 1970, units shipped were recorded at 2.8 million with a retail value of just about $70 million. Comparable figures for 1979 are 4.5 million units and $138 million—close to double on both counts.

In the 1970s, housewares products that had been around for at least a decade were very much alive and well. For highlights on newer additions, see following pages. ●

TEN YEAR TABLES:

Product Sales Growth & Performance

**MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE
IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE**

HOUSEWARES

	1970		1971		1972		1973		1974	
PRODUCTS	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)
PERSONAL CARE										
Bed Covering	4,050	81,000	4,000	72,000	4,100	77,900	4,300	86,000	4,410	97,020
Curling Irons/Styling Wands	–	–	–	–	–	–	2,000	32,000	4,000	60,000
Hair Dryers, Total	6,100	146,400	7,773	171,006	9,076	181,520	10,800	237,600	11,965	263,230
Portable With Bonnet	–	–	–	–	–	–	–	–	500	–
Hard-Top	–	–	–	–	–	–	–	–	900	–
Styling Dryers	–	–	–	–	–	–	–	–	5,153	–
Pistol Type	–	–	–	–	–	–	–	–	5,412	–
Hair Setters	5,500	121,000	3,800	79,800	3,400	74,800	3,250	65,000	2,965	65,230
Heating Pads	3,900	23,400	3,900	27,300	4,200	33,600	4,375	35,000	4,225	42,250
Hot Lather Dispensers	–	–	–	–	–	–	2,500	50,000	2,825	50,850
Massagers, Hand Held	–	–	–	–	–	–	900	13,500	810	12,960
Massagers, Shower (Heads)	–	–	–	–	–	–	–	–	–	–
Mirrors, Make-Up	2,700	59,400	1,975	31,600	1,750	29,750	1,625	26,000	1,440	25,920
Oral Hygiene Devices, Total	2,850	45,900	2,250	35,550	2,280	31,800	2,200	27,500	1,935	28,040
Water Pulsators	1,050	18,900	900	15,300	1,080	16,200	1,100	14,300	950	14,250
Toothbrushes, Electric	1,800	27,000	1,350	20,250	1,200	15,600	1,100	13,200	985	13,790
Saunas, Facial	–	–	–	–	–	–	1,000	16,000	845	15,210
Shavers, Total	–	–	–	–	–	–	–	–	5,075	116,350
Men's	–	–	–	–	–	–	–	–	3,850	94,650
Women's	–	–	–	–	–	–	–	–	1,225	21,700
Total Personal Care	**25,100**	**477,100**	**23,698**	**417,256**	**24,806**	**429,370**	**32,950**	**588,600**	**40,495**	**777,060**
CLOCKS										
Clocks, Total	–	–	–	–	–	–	–	–	21,107	161,591
Decorative Wall, Total	–	–	–	–	–	–	–	–	3,876	64,934
Analog	–	–	–	–	–	–	–	–	3,700	55,500
Digital	–	–	–	–	–	–	–	–	176	9,434
Kitchen Wall, Total	–	–	–	–	–	–	–	–	5,102	30,763
Analog	–	–	–	–	–	–	–	–	5,000	29,200
Digital	–	–	–	–	–	–	–	–	102	1,563
Alarm, Total	–	–	–	–	–	–	–	–	11,514	57,658
Analog	–	–	–	–	–	–	–	–	9,800	42,500
Digital	–	–	–	–	–	–	–	–	1,714	15,158
Desk/Table/Occasional, Total	–	–	–	–	–	–	–	–	615	8,236
Analog	–	–	–	–	–	–	–	–	607	7,891
Digital	–	–	–	–	–	–	–	–	8	345
COOKWARE & BAKEWARE										
Cookware & Bakeware, Total	–	–	–	–	–	–	70,373	–	73,433	–
Stainless Steel	–	–	–	–	–	–	15,000	–	17,000	–
Enamel	–	–	–	–	–	–	7,580	–	8,000	–
Aluminum	–	–	–	–	–	–	41,080	–	41,600	–
Cast Iron	–	–	–	–	–	–	4,333	–	4,233	–
Porcelain Enamel on Cast Iron	–	–	–	–	–	–	2,380	–	2,600	–
HOME SECURITY										
Home Security, Total	–	–	–	–	–	–	–	–	–	–
Smoke Detectors	–	–	–	–	–	–	–	–	–	–
Fire Extinguishers	–	–	–	–	–	–	–	–	–	–
Intrusion Systems	–	–	–	–	–	–	–	–	–	–
Smoke/Fire/Intrusion Systems	–	–	–	–	–	–	–	–	–	–
OUTDOOR PRODUCTS										
Barbecue Grills, Total	–	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–	–
Electric	–	–	–	–	–	–	–	–	–	–
Charcoal	–	–	–	–	–	–	–	–	–	–
Power Mowers, Total	–	–	–	–	–	–	–	–	–	–
Powered Walk-Behind	–	–	–	–	–	–	–	–	–	–
Riding	–	–	–	–	–	–	–	–	–	–
Garden Tractors	–	–	–	–	–	–	–	–	–	–
Snow Throwers, Walk-Behind, Total	–	–	–	–	–	–	–	–	–	–
Single Stage	–	–	–	–	–	–	–	–	–	–
2-Stage	–	–	–	–	–	–	–	–	–	–

* Revised
† Factory Dollars

1975		1976		1977		1978		1979		
NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	PRODUCTS
										PERSONAL CARE
4,032	88,704	4,370	100,510	4,490	112,250	4,900	127,400	5,125	143,500	**Bed Covering**
3,200	36,960	7,000	94,000	6,000	78,000	6,200	75,500	6,463	58,868	**Curling Irons/Styling Wands**
10,496	242,338	12,555	277,960	16,495	388,755	18,970	353,935	18,488	312,670	**Hair Dryers, Total**
343	6,860	325	7,150	445	9,345	450	9,000	482	10,122	Portable With Bonnet
550	14,850	430	11,610	510	13,770	495	13,860	539	16,979	Hard-Top
4,922	108,284	6,000	120,000	6,400	128,000	6,625	125,875	5,200	96,044	Styling Dryers
4,681	112,344	5,800	139,200	9,140	237,640	11,400	205,200	12,267	189,525	Pistol Type
2,033	36,592	2,000	36,647	1,800	36,100	1,989	41,255	2,382	51,800	**Hair Setters**
3,500	31,500	3,780	34,020	3,800	30,400	3,940	35,460	4,100	36,900	**Heating Pads**
2,678	40,170	2,185	28,405	1,600	19,200	1,590	17,490	1,225	12,250	**Hot Lather Dispensers**
700	11,900	750	12,325	780	12,480	798	12,768	830	13,280	**Massagers, Hand Held**
1,284	33,384	1,961	54,908	1,700	42,500	2,035	40,700	1,885	37,229	**Massagers, Shower (Heads)**
1,210	25,410	1,263	30,312	1,400	33,600	1,490	32,780	1,633	34,293	**Mirrors, Make-Up**
1,602	23,196	1,499	20,986	1,365	18,900	1,540	25,480	1,650	27,721	**Oral Hygiene Devices, Total**
812	10,556	824	11,536	840	12,600	1,000	19,000	1,126	21,957	Water Pulsators
790	12,640	675	9,450	525	6,300	540	6,480	524	5,764	Toothbrushes, Electric
670	10,050	590	8,850	450	7,200	440	7,040	550	9,763	**Saunas, Facial**
5,090	127,135	4,700	129,200	5,200	149,500	5,650	162,800	5,960	177,405	**Shavers, Total**
3,725	108,025	3,600	111,600	3,900	128,700	4,450	142,400	4,675	154,275	Men's
1,365	19,110	1,100	17,600	1,300	20,800	1,200	20,400	1,285	23,130	Women's
36,495	**707,339**	**42,653**	**828,123**	**45,080**	**928,885**	**49,542**	**932,608**	**50,291**	**915,679**	**Total Personal Care**
										CLOCKS
21,290	231,820	18,832	230,077	22,763	282,674	23,987	332,060	26,664	417,494	**Clocks, Total**
3,903	86,282	3,529	92,809	4,150	110,617	4,477	152,764	5,066	194,828	Decorative Wall, Total
3,700	74,000	3,275	75,325	3,900	93,600	4,164	137,412	4,610	178,868	Analog
203	12,282	254	17,484	250	17,017	313	15,352	456	15,960	Digital
5,017	55,935	4,495	50,726	5,510	61,050	6,061	66,048	6,284	82,322	Kitchen Wall, Total
4,900	53,900	4,348	47,828	5,400	59,400	5,879	63,493	6,158	80,054	Analog
117	2,035	147	2,898	110	1,650	182	2,555	126	2,268	Digital
11,771	78,534	10,189	74,371	12,423	97,157	12,756	97,379	14,417	119,146	Alarm, Total
9,800	58,800	7,713	46,278	9,500	57,000	9,700	72,750	9,804	71,863	Analog
1,971	19,734	2,476	28,093	2,923	40,157	3,056	24,629	4,613	47,283	Digital
599	11,069	619	12,171	680	13,850	693	15,869	897	21,198	Desk/Table/Occasional, Total
590	10,620	607	11,533	670	13,400	680	15,300	870	20,010	Analog
9	449	12	638	10	450	13	569	27	1,188	Digital
										COOKWARE & BAKEWARE
73,926	–	81,782	1,130,000	85,499	1,200,000	91,534	1,250,000	106,723	1,354,000	**Cookware & Bakeware, Total**
17,680	–	21,898	–	22,539	–	24,313	–	26,225	–	Stainless Steel
7,200	–	7,079	–	7,202	–	7,100	–	7,546	–	Enamel
42,400	–	45,918	–	48,806	–	53,319	–	65,552	–	Aluminum
4,157	–	4,281	–	4,322	–	4,302	–	4,850	–	Cast Iron
2,489	–	2,606	–	2,630	–	2,500	–	2,550	–	Porcelain Enamel on Cast Iron
										HOME SECURITY
5,736	–	8,734	–	12,490*	–	13,500	278,250	12,308	209,230	**Home Security, Total**
1,669	–	4,000	–	7,000*	–	8,500	153,000	6,600	94,200	Smoke Detectors
3,700	–	4,312	–	5,000	–	4,500	31,500	5,000	35,000	Fire Extinguishers
192	–	204	–	250	–	250	18,750	475	42,750	Intrusion Systems
175	–	218	–	240	–	250	75,000	233	37,280	Smoke/Fire/Intrusion Systems
										OUTDOOR PRODUCTS
7,240	–	9,144	171,035†	10,518*	204,179†	11,070*	219,650†	11,336	255,626†	**Barbecue Grills, Total**
650	–	860	94,713†	1,050*	116,797†	1,176*	112,945†	1,327	139,335†	Gas
90	–	125	4,672†	140*	5,413†	144*	4,839†	141	5,287†	Electric
6,500	–	8,159	71,650†	9,328*	81,969†	9,750*	101,866†	9,868	111,004†	Charcoal
5,670	–	6,000	1,016,700	6,085	1,062,700	6,315	1,261,250	6,814	2,260,480	**Power Mowers, Total**
4,800	–	5,100	469,900	5,200	488,300	5,350	535,000	5,760	1,094,400	Powered Walk-Behind
640	–	690	300,500	670	313,400	735	404,250	812	682,080	Riding
230	–	210	246,300	215	261,000	230	322,000	242	484,000	Garden Tractors
156	–	165	–	268	–	420	162,000	1,082	390,870	**Snow Throwers, Walk-Behind Total**
72	–	87	–	163	–	270	74,250	784	219,520	Single Stage
84	–	78	–	105	–	150	87,750	298	171,350	2-Stage

* Revised
† Factory Dollars

TEN YEAR TABLES:

Product Sales Growth & Performance

MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE

HOUSEWARES (continued)

	1970		1971		1972		1973		1974	
PRODUCTS	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)
KITCHEN ELECTRICS										
Bag Sealers	–	–	–	–	–	–	–	–	–	–
Blenders	5,100	127,500	4,100	86,100	4,400	101,200	4,700	98,700	4,300	90,300
Broilers, Total	2,605	70,650	2,650	73,350	2,724	78,240	2,650	75,600	2,475	75,150
With Rotisseries	880	39,600	950	42,750	990	43,560	950	39,900	900	40,500
Without Rotisseries	1,725	31,050	1,700	30,600	1,734	36,680	1,700	35,700	1,575	34,650
Can Openers, Total	5,000	65,000	4,750	61,750	4,975	64,675	5,250	73,500	5,435	86,960
Single Units	–	–	–	–	–	–	–	–	–	–
Combination Units	–	–	–	–	–	–	–	–	–	–
Coffeemakers, Total	8,100	129,600	8,700	139,200	9,000	171,000	9,325	195,825	10,422	243,564
Automatic (1-16 cup)	–	–	–	–	–	–	6,528	–	6,216	–
Party Perc (Over 16 cup)	–	–	–	–	–	–	1,678	–	1,491	–
ADC	–	–	–	–	–	–	1,119	–	2,715	–
Cornpoppers, Total	2,300	23,000	2,900	31,900	4,000	52,000	4,400	61,600	3,000	45,000
Buttering	–	–	–	–	–	–	–	–	–	–
Non-Buttering	–	–	–	–	–	–	–	–	–	–
Crepe Pans	–	–	–	–	–	–	–	–	–	–
Egg Cookers	–	–	–	–	–	–	–	–	487	5,844
Fondues, Electric	–	–	750	21,750	640	17,920	655	18,340	590	11,800
Food Processors	–	–	–	–	–	–	–	–	–	–
Food Slicers	–	–	–	–	–	–	–	–	–	–
Frypan—Skillets	3,200	92,800	3,300	99,000	3,500	112,000	3,625	112,375	3,547	117,051
Griddles/Quick Grills	500	12,500	550	14,850	620	17,360	645	16,770	725	21,750
Hotplates & Buffet Ranges	810	9,720	825	9,900	890	13,350	950	16,150	1,000	18,000
Ice Cream Makers	–	–	–	–	–	–	–	–	–	–
Ice Crushers	–	–	–	–	–	–	–	–	200	3,000
Irons, Total	9,275	159,210	9,350	161,000	9,510	179,410	9,745	201,090	9,700	220,450
Steam & Steam/Spray	7,985	143,730	8,150	146,700	8,400	168,000	8,700	191,400	8,750	210,000
Automatic Dry	915	10,980	870	10,440	800	8,000	760	6,840	710	7,810
Travel	375	4,500	330	3,960	310	3,410	285	2,850	240	2,640
Knives, Electric Slicing	2,075	41,500	2,175	45,675	2,250	49,550	2,300	46,000	2,075	43,575
Mixers, Food, Total	4,675	90,250	4,875	92,675	5,070	107,120	5,235	108,720	4,970	113,650
Stand Type	875	33,250	850	32,300	910	36,400	960	40,320	1,080	47,520
Portable Hand	3,800	57,000	4,025	60,375	4,160	70,720	4,275	68,400	3,890	66,130
Slow Cookers	–	–	–	–	–	–	3,200	80,000	5,700	119,700
Toasters, Total	5,975	107,550	6,300	116,550	6,650	113,050	6,845	116,365	7,177	143,540
Two-Slice	–	–	–	–	4,322	–	3,696	–	3,835	–
Four-Slice	–	–	–	–	1,530	–	1,780	–	1,860	–
Toaster-Ovens	–	–	–	–	798	–	1,369	–	1,482	–
Waffle Irons/Sandwich Grills	1,025	19,475	1,015	17,255	1,000	16,000	1,025	14,350	960	15,360
Woks, Electric	–	–	–	–	–	–	–	–	–	–
Total Kitchen Electrics	**50,640**	**948,755**	**52,240**	**971,055**	**55,229**	**1,092,875**	**60,550**	**1,235,386**	**62,763**	**1,374,694**
AIR TREATMENT										
Fans, Total	9,875	283,450	9,450	244,700	9,850	243,675	10,242	252,041	10,187	263,241
Desk & Bracket	1,325	29,150	1,200	21,600	1,100	16,500	1,125	14,625	1,175	17,625
Hassock or Floor	300	7,200	350	7,000	400	7,600	432	7,776	410	8,610
Exhaust, Built-In	1,900	36,100	2,300	48,300	2,450	49,000	2,610	57,420	2,540	58,420
Range Hoods	1,650	66,000	1,850	70,300	1,975	73,075	2,055	73,980	1,942	73,796
Window	3,900	117,000	3,000	75,000	3,100	74,400	3,140	75,360	3,225	80,625
Roll-About	800	28,000	750	22,500	825	23,100	880	22,880	895	24,165
Portable Electric Heaters, Total	2,835	69,935	2,750	66,000	2,925	70,200	3,170	72,910	3,625	94,250
Fan-Forced	2,600	65,000	–	–	–	–	–	–	–	–
Non-Fan-Forced	235	4,935	–	–	–	–	–	–	–	–
Baseboard	–	–	–	–	–	–	–	–	–	–
Humidifiers	1,000	72,000	1,100	79,200	1,150	83,950	1,225	91,875	1,100	85,470
Vaporizers	–	–	–	–	–	–	–	–	–	–
Total Air Treatment	**13,710**	**425,385**	**13,300**	**389,900**	**13,925**	**401,825**	**14,637**	**416,826**	**14,912**	**442,961**
FLOOR CARE										
Carpet Sweepers	–	–	–	–	–	–	–	–	1,000	15,000
Floor Polishers	1,156	46,240	1,158	46,336	994	39,760	767	34,515	640	30,720
Vacuum Cleaners, Total	7,382	501,976	7,973	518,264	8,337	541,905	9,124	650,160	8,251	643,578*
Canisters	–	–	–	–	–	–	–	–	3,602	–
Upright	–	–	–	–	–	–	–	–	3,436	–
Lightweight	–	–	–	–	–	–	–	–	1,213	–
Total Floor Care	**8,538**	**548,216**	**9,131**	**564,600**	**9,331**	**581,665**	**9,891**	**684,675**	**9,891**	**689,298***

*Revised

1975		1976		1977		1978		1979		
NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	PRODUCTS
										KITCHEN ELECTRICS
–	–	3,100	46,500	2,590	33,670	2,600	31,200	2,390	28,680	**Bag Sealers**
4,000	92,000	4,490	98,780	5,250	120,750	5,660	113,200	5,025	105,525	**Blenders**
2,006	66,314	2,156	73,770	2,150	75,550	2,280	99,000	2,423	118,779	**Broilers, Total**
790	37,130	606	27,270	450	21,150	460	25,300	464	30,624	With Rotisseries
1,216	29,184	1,550	46,500	1,700	54,400	1,820	63,700	1,959	88,155	Without Rotisseries
5,120	71,734	5,475	82,059	5,550	86,600	5,660	77,860	5,520	73,947	**Can Openers, Total**
2,918	32,098	3,138	37,656	3,050	36,600	3,060	33,660	2,951	35,412	Single Units
2,202	39,636	2,337	44,403	2,500	50,000	2,600	44,200	2,569	38,535	Combination Units
10,656	242,420	13,693	316,355	9,970	239,680	10,500	265,000	12,104	298,280	**Coffeemakers, Total**
4,538	90,760	3,970	75,430	2,180	34,880	2,200	37,400	2,906	50,855	Automatic (1-16 cup)
1,118	24,596	1,075	24,725	790	15,800	775	17,050	921	23,946	Party Perc (Over 16 cup)
5,000	127,064	8,648	216,200	7,000	189,000	7,525	210,700	8,277	223,479	ADC
2,430	29,062	2,468	33,318	3,071	43,403	3,600	65,400	5,280	129,791	**Cornpoppers, Total**
1,789	23,374	1,851	27,765	2,252	36,032	2,200	37,400	2,497	49,940	Buttering
632	5,688	617	5,553	819	7,371	1,400	28,000	2,783	79,851	Non-Buttering
–	–	1,000	17,000	625	8,750	500	6,000	364	4,732	**Crepe Pans**
425	5,525	430	6,020	440	7,040	440	6,600	460	6,900	**Egg Cookers**
440	7,920	329	5,264	250	4,000	250	3,500	215	4,945	**Fondues, Electric**
–	–	221	33,150	700	59,500	2,000	120,000	2,653	161,333	**Food Processors**
–	–	400	20,000	410	18,450	500	30,000	523	26,673	**Food Slicers**
2,611	88,774	2,613	94,068	2,500	87,500	2,600	93,600	2,709	102,942	**Frypan–Skillets**
640	17,920	715	20,735	625	16,875	646	18,088	661	21,152	**Griddles/Quick Grills**
740	14,800	750	15,750	735	15,435	761	15,220	803	20,075	**Hotplates & Buffet Ranges**
–	–	1,150	22,400	1,262	26,502	1,333	33,325	1,306	25,467	**Ice Cream Makers**
132	2,112	160	2,880	200	3,800	177	3,540	188	3,760	**Ice Crushers**
7,883	187,314	8,003	213,882	8,736	236,232	10,451	298,039	10,340	286,590	**Irons, Total**
7,086	177,150	7,311	204,708	8,150	228,200	9,865	289,625	9,795	278,395	Steam & Steam/Spray
600	7,800	514	6,682	379	4,927	376	5,264	350	5,075	Automatic Dry
197	2,364	178	2,492	207	3,105	210	3,150	195	3,120	Travel
1,577	29,963	1,700	28,900	1,700	23,800	1,700	27,200	1,692	28,764	**Knives, Electric Slicing**
4,477	105,786	5,105	128,545	5,095	122,675	5,175	131,745	5,568	155,850	**Mixers, Food, Total**
900	41,400	1,305	63,945	1,250	65,000	1,255	69,025	1,457	85,963	Stand Type
3,577	64,386	3,800	64,600	3,845	57,675	3,920	62,720	4,111	69,887	Portable Hand
6,500	156,000	8,440	202,560	7,950	190,800	6,700	140,700	5,641	107,179	**Slow Cookers**
6,204	143,846	7,397	176,738	7,400	189,500	8,100	219,600	8,916	252,136	**Toasters, Total**
3,260	58,680	3,800	72,200	3,600	68,400	4,000	80,000	4,576	91,920	Two-Slice
1,507	39,182	1,686	47,208	1,700	47,600	1,800	52,200	1,752	52,560	Four-Slice
1,437	45,984	1,911	57,330	2,100	73,500	2,300	87,400	2,588	107,656	Toaster-Ovens
1,028	19,532	1,100	18,700	1,058	19,044	1,034	17,578	1,119	24,618	**Waffle Irons/Sandwich Grills**
617	13,574	540	10,800	500	10,000	550	24,750	578	22,542	**Woks, Electric**
57,486	**1,294,596**	**71,435**	**1,668,174**	**68,767**	**1,639,556**	**73,217**	**1,841,145**	**76,478**	**2,011,160**	**Total Kitchen Electrics**
										AIR TREATMENT
9,236	238,202	10,056	259,464	10,515	285,195	11,648	346,200	12,449	484,805	**Fans, Total**
1,090	17,440	976	17,568	1,000	18,400	1,020	20,400	1,265	44,275	Desk & Bracket
335	8,165	313	6,573	315	7,245	328	8,200	362	14,480	Hassock or Floor
2,270	56,750	2,685	64,400	2,700	75,600	3,000	84,000	3,000	96,000	Exhaust, Built-In
1,377	53,703	1,866	74,640	2,000	80,000	2,500	105,000	2,500	120,000	Range Hoods
3,444	89,544	3,667	88,008	3,950	94,800	4,300	116,100	4,756	190,240	Window
700	12,600	549	8,235	550	9,350	500	12,500	566	19,810	Roll-About
2,990	69,904	2,748	69,448	4,120*	113,720*	4,467	123,449	4,457	138,108	**Portable Electric Heaters, Total**
2,272	49,984	2,284	54,816	3,600*	97,200*	3,887	104,949	3,805	114,150	Fan-Forced
180	3,780	88	1,848	120*	2,520*	140	2,660	207	3,933	Non-Fan-Forced
538	16,140	376	12,784	400*	14,000*	440	15,840	445	20,025	Baseboard
1,031	82,480	1,246	105,910	1,200*	108,000*	940	84,600	850	80,750	**Humidifiers**
850	8,500	1,025	9,225	1,140	11,400	1,200	12,000	1,400	14,000	**Vaporizers**
14,107	**399,086**	**15.075**	**444.047**	**16.975***	**518,315***	**18,255**	**566,249**	**19,156**	**717,663**	**Total Air Treatment**
										FLOOR CARE
940	14,100	1,068	13,884	1,160	17,400	1,200	21,600	1,300	26,000	**Carpet Sweepers**
530	18,550	566	20,942	530	21,200	520	23,400	512	27,136	**Floor Polishers**
7,650	656,500	8,767	852,494	8,705	996,680	8,965	1,090,500	8,922	1,154,559	**Vacuum Cleaners, Total**
3,100	310,000	3,600	432,000	3,194	447,160	3,270	523,200	3,094	541,450	Canisters
3,500	315,000	4,050	384,750	4,211	505,320	4,160	520,000	4,200	558,600	Upright
1,050	31,500	1,117	35,744	1,300	44,200	1,535	47,300	1,628	54,509	Lightweight
9,120	**689,150**	**10,401**	**887,320**	**10,395**	**1,035,280**	**10,685**	**1,135,500**	**10,734**	**1,207,695**	**Total Floor Care**

*Revised

HOUSEWARES HIGHLIGHTS

Analysis:

Every housewares classification had at least one high spot last year but, in fairness, the highlights section will lead off with the four categories which were added to the 10-Year Tables in 1978—cookware, clocks, home security and outdoor products.

Last year marks the seventh year that *Merchandising* has been compiling cookware statistics—it was a lucky number for the category. Unit shipments surpassed the 100-million mark with a retail value of $1.35 billion.

LIGHTWEIGHT VACUUM SHIPMENTS

	1979 (000) Units	1979 (000) Retail Value	1978 (000) Units	1978 (000) Retail Value
Sticks	1,275	44,625	1,275	40,800
Hand-Held	353	9,884	260	6,500
TOTAL	1,628	54,509	1,535	47,300

LINE GRASS TRIMMERS

	1979 (000) Units	1979 (000) Retail Value	1978 (000) Units	1978 (000) Retail Value
TOTAL	7,250	290,000	4,400	110,000

CHARCOAL GRILL SHIPMENTS

	1979 Units (000)	1978 Units (000)	% Change 1979/78
Braziers	1,300	1,210	+8
Fireplace	13	13	N.C.
Hibachis	2,330	2,295	+1
Picnic Grills	3,602	3,726	-3
Smokers	2,345	2,217	+6
Wagons	278	289	-4
TOTAL	9,868	9,750	+1

DIGITAL CLOCK SHIPMENTS BY TYPE

	1979 (000) Units	1979 (000) Retail Value	1978 (000) Units	1978 (000) Retail Value
Solid State	3,447	50,024	2,502	32,181
Mech. Leaf	1,775	16,675	1,072	10,720
TOTAL	5,222	66,699	3,574	42,901

Of this total, the Metal Cookware Mfrs. Assn. reports an 18% sales increase for domestic cookware/bakeware compared to 1978. At factory billing, this totaled $626 million or approximately $1.2 billion retail. Of the total, MCMA found that aluminum cookware, both stamped and cast, accounted for 58.4%, compared with 53.5% in 1978. Stainless steel represented 33% compared to 37.9% in 1978.

As these are dollar figures there are two factors that explain the change. SilverStone, Du Pont's premium nonstick surface, was and continues to be a "hot" ticket and it increases the price of aluminum cookware.

While the above may have cut into stainless steel sales slightly, the biggest culprit here is the low-end, lookalike stainless steel pots and pans imported duty-free from developing countries.

This is reflected in *Merchandising*'s 1979 figures which show stainless steel shipments almost two million units ahead of 1978.

The Association's report noted that in 1980, U.S. producers expect to sell $670 million of metal cookware/bakeware at factory billing which equals about $1.3 billion at retail.

The growth of quartz clocks in the past two years is charted on this page for the first time. Unit shipments of alarms were up 105%; decorative wall models rose 73%; accounting for the fewest number—less than 500,000—desk/table/occasional models had a 74% increase and kitchen wall clocks held a strong fourth place with a 61% gain.

Clocks by power source indicate that quartz models accounted for almost 98% of all battery units shipped in 1979.

While all sources of power for clocks have been affected by quartz models, it would appear the latter also accounted for many add-on sales in the industry last year.

Unit shipments of digital clocks increased by more than 1.5 million from 1978 through 1979. Solid-state models accounted for about 3.5 million units and the mechanical leaf the remainder.

Unit shipments of intrusion detectors almost doubled in 1979 vs. 1978. Last year a total of 475,000 units were shipped, compared to 250,000 in the previous year.

Of the four products which make up the home security category, fire extinguishers were the only other item to post a gain, going from 4.5 million in 1978 to 5 million in 1979.

Smoke detectors, off more than one million units, showed an average price drop from about $20 to $14, reflecting the price erosion most retailers and many manufacturers had reported.

While the drop in total units of smoke/fire/intrusion systems was only 17,000, the retail value dropped to just under half that of 1978. This reflects a shift from the very sophisticated high-end electronic systems that require professional installation to the new wireless systems that begin at around $200 and, even with add-ons to protect a sizeable house against intruders and fire, rarely exceed $500-$600.

Snow thrower shipments for 1979 posted a 6.6 million unit gain over the previous year. Over one million snow throwers—almost 800,000 single-stage models—were shipped. With the relatively snow-free, mild winter in most of the snow-belt, however, one wonders how much of the $390.9 million value at retail was actually rung up.

A break-down of charcoal barbecue grills which account for the bulk of units sold, reveals braziers up 8% over 1978 to a total of 1.3 million. Smokers were up 6% and hibachis, 1%. No change was reported for fireplace grills, while wagons went down 4% and picnic grills were off 3%.

Line grass trimmers almost doubled in units, going from 4.4 million in 1978 to 7.3 million in 1979 and more than double in retail value indicating a slightly higher average unit price.

Deep fryers, not included in the 10-Year Tables, posted a gain of just under 100,000 units over 1978. However, regular-size deep fryers went ahead by almost half-a-million units at the expense of mini-fryers. They, like hamburger makers and donut makers, have lost consumer appeal.

The biggest excitement in kitchen electrics in 1979 was furnished by the hot air cornpopper. Units jumped from 800,000 to over 2 million with a retail value of $69.8 million.

This increase, along with a slight gain in the oil-type poppers, put the appliance in seventh place among the 23 kitchen electrics listed in the 10-Year Tables, ahead of blenders.

Food processors, with a 653,000 unit shipment increase over 1978, completed the top 10 kitchen electrics for 1979.

Full-feature lightweight irons accounted for 1.4 million of the almost 10 million steam & steam/spray irons shipped in 1979.

Toaster-ovens with broiler features totaled 1.7 million of the almost 2.6 million toaster-ovens shipped.

Another highlight reflecting the success of SilverStone is that non-stick cookware shipments rose from 25% in 1978 to 41% in 1979.

One of the hottest personal care products in 1979 was the curling brush. The industry reports 875,000 units shipped with a retail value of $10.5 million.

A first-time breakout of electronic digital scales from the regular-type puts units shipped last year at 790,000 at a $34.8 million retail value.

Most of the other products highlighted on these pages posted increases over 1978. In fact, the bottom line for housewares for all kinds was positively bright considering the dark economic picture painted for the year. ●

QUARTZ CLOCK SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Decorative Wall	2,792	1,612	+ 73
Kitchen Wall	2,828	1,758	+ 61
Alarm	4,180	2,041	+105
Desk/Table/Occasional	457	263	+ 74
TOTAL	10,257	5,674	+ 81

CLOCKS BY POWER SOURCE

TYPE		1979 (000) Electric	1979 (000) Battery	1979 (000) Key-Wind	1979 (000) TOTAL	1978 (000) Electric	1978 (000) Battery	1978 (000) Key-Wind	1978 (000) TOTAL
DECORATIVE WALL	Units	1,867	2,908	291	5,066	1,742	2,395	340	4,477
	Dollars	37,768	152,723	4,337	194,828	29,614	119,750	3,400	152,764
KITCHEN WALL	Units	3,302	2,982	–	6,284	3,340	2,721	–	6,061
	Dollars	41,625	40,697	–	82,322	33,396	32,652	–	66,048
ALARM	Units	6,688	4,180	3,549	14,417	7,235	2,041	3,480	12,756
	Dollars	48,555	34,485	36,106	119,146	47,145	15,552	34,682	97,379
DESK/TABLE/ OCCASIONAL	Units	165	472	260	897	121	326	246	693
	Dollars	2,417	10,896	7,885	21,198	1,815	8,150	5,904	15,869
TOTAL	Units	12,022	10,542	4,100	26,664	12,438	7,483	4,066	23,987
	Dollars	130,365	238,801	48,328	417,494	111,970	176,104	43,986	332,060

KITCHEN ELECTRIC/ PERSONAL CARE HIGHLIGHTS

TOTAL KITCHEN ELECTRIC VOLUME, IN UNITS				
	1979		1978	
Product	Units (000)	% Of Total	Units (000)	% Of Total
BAG SEALERS	2,390	3.1	2,600	3.6
BLENDERS	5,025	6.6	5,660	7.7
BROILERS	2,423	3.2	2,280	3.1
CAN OPENERS	5,520	7.2	5,660	7.7
COFFEE MAKERS	12,104	15.8	10,500	14.3
CORNPOPPERS	5,280	6.9	3,600	4.9
CREPE PANS	364	0.5	500	0.7
EGG COOKERS	460	0.6	440	0.6
FONDUES, ELECTRIC	215	0.3	250	0.3
FOOD PROCESSORS	2,653	3.5	2,000	2.7
FOOD SLICERS	523	0.7	500	0.7
FRYPANS/SKILLETS	2,709	3.5	2,600	3.6
GRIDDLES/QUICK GRILLS	661	0.9	646	0.9
HOTPLATES & BUFFET RANGES	803	1.0	761	1.0
ICE CREAM MAKERS	1,306	1.7	1,333	1.8
ICE CRUSHERS	188	0.2	177	0.2
IRONS	10,340	13.5	10,451	14.3
KNIVES, ELECTRIC	1,692	2.2	1,700	2.3
MIXERS	5,568	7.3	5,175	7.1
SLOW COOKERS	5,641	7.4	6,700	9.2
TOASTERS	8,916	11.6	8,100	11.1
WAFFLE IRONS/SANDWICH GRILLS	1,119	1.5	1,034	1.4
WOKS, ELECTRIC	578	0.8	550	0.8
TOTAL	76,478	100.0%	73,217	100.0%

TOTAL PERSONAL CARE PRODUCT VOLUME, IN UNITS				
	1979		1978	
Product	Units (000)	% Of Total	Units (000)	% Of Total
BED COVERINGS	5,125	10.2	4,900	9.9
CURLING IRONS/STYLING WANDS	6,463	12.9	6,200	12.5
FACIAL SAUNAS	550	1.1	440	0.9
HAIR DRYERS	18,488	36.8	18,970	38.3
HAIR SETTERS	2,382	4.7	1,989	4.0
HEATING PADS	4,100	8.2	3,940	8.0
HOT LATHER DISPENSERS	1,225	2.4	1,590	3.2
MAKE-UP MIRRORS	1,633	3.2	1,490	3.0
MASSAGERS, HAND-HELD	830	1.7	798	1.6
MASSAGERS, SHOWER	1,885	3.7	2,035	4.1
SHAVERS	5,960	11.9	5,650	11.4
TOOTHBRUSHES, ELECTRIC	524	1.0	540	1.1
WATER PULSATORS	1,126	2.2	1,000	2.0
TOTAL	50,291	100.0%	49,542	100.0%

KITCHEN ELECTRICS/ PERSONAL CARE

(continued)

DEEP FRYER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
Mini	1,710	27,360	2,050	32,800
Regular	1,108	27,700	683	17,075
TOTAL	2,818	55,060	2,733	49,975

CORNPOPPER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
Oil	3,163	59,930	2,800	41,400
Hot Air	2,117	69,861	800	24,000
TOTAL	5,280	129,791	3,600	65,400

COFFEE GRINDER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	368	6,624	382	6,494

STEAM & STEAM/SPRAY IRON SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
Full-Feature Lightweight	1,415	35,375	1,265	31,625
Standard	8,380	243,020	8,600	258,000
TOTAL	9,795	278,395	9,865	289,625

TOTAL HOUSEWARES UNIT VOLUME

	1979		1978	
PRODUCT	Units (000)	% of Total	Units (000)	% of Total
AIR TREATMENT	19,156	6.0	18,255	6.1
CLOCKS	26,664	8.3	23,987	8.0
COOKWARE & BAKEWARE	106,723	33.2	91,534	30.7
FLOOR CARE	10,734	3.3	10,685	3.6
HOME SECURITY	12,308	3.8	13,500	4.5
KITCHEN ELECTRICS	76,478	23.8	73,217	24.5
OUTDOOR	19,232	6.0	17,805	6.0
PERSONAL CARE	50,291	15.6	49,542	16.6
TOTAL	321,586	100.0	298,525	100.0

HAIR SETTER SHIPMENTS

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Dry	604	514	+18
Mist	1,778	1,475	+21
TOTAL	2,382	1,989	+20

CURLING BRUSHES

	1979 (000)	
	Units	Retail Value
TOTAL	875	10,500

CURLING IRONS/STYLING WANDS

	1979 (000)	
	Units	Retail Value
Dry	4,075	32,600
Mist	2,388	26,268
TOTAL	6,463	58,868

DONUT MAKER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
2-DONUT	272	3,808	500	7,000
4-DONUT	136	2,176	200	3,200
6-DONUT	212	3,816	300	5,400
TOTAL	620	9,800	1,000	15,600

OMELET PAN SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	254	5,080	253	5,060

TOASTER-OVEN/BROILER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	1,700	74,800	1,500	58,500

YOGURT MAKER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	641	7,051	700	8,400

FACE & BODY SKIN CLEANER SHIPMENTS

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	865	8,218	1,000	11,000

NAIL CARE DEVICES

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
TOTAL	1,325	13,913	1,200	13,200

BATHROOM SCALES TOTAL

	1979 (000)		1978 (000)	
	Units	Retail Value	Units	Retail Value
Electronic Digital	790	34,760	–	–
Regular	7,316	80,110	–	–
TOTAL	8,106	114,870	7,152	69,732

HOUSEWARES HIGHLIGHTS

MICROWAVE COOKWARE SHIPMENTS

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
CERAMIC	3,678	3,000	+23
CHINA & COATED PAPER	777	600	+30
GLASS	3,694	2,900	+27
PLASTIC	5,483	4,900	+12
STONEWARE	2,074	2,300	-10
TOTAL	15,706	13,700	+15

PRESSURE COOKER SHIPMENTS BY TYPE

	1979		1978	
	Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
ELECTRIC	325	15,275	350	16,100
NON-ELECTRIC	2,500	75,000	2,100	63,000
TOTAL	2,825	90,275	2,450	79,100

CANISTER SET SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
4,060	44,600	3,850	46,200

DISH DRAINER SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
6521	21,193	6,362	22,267

ICE BUCKET SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
1,275	11,794	1,250	11,625

WASTEBASKET SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
11,871	47,484	11,825	47,300

PLASTIC ORGANIZER SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
29125	101,938	28,050	98,175

SOAP DISH SHIPMENTS

1979 (000)		1978 (000)	
Units	Retail Value	Units	Retail Value
2,975	1,845	2,500	1,625

NON-STICK COOKWARE SHIPMENTS

1979	1978
41%	25%

10-Year Tables: Electronics Analysis

Video Entertainment

Color television recorded a pretty good year in 1979 considering that it had to be compared to 1978—when the industry put together the best year in its history.

Actually, it was a fairly typical year with some classy new product introductions (remote control was bigger than ever and the industry started talking seriously about—and showing—stereo tv models), price cuts, price hikes, stronger than ever promotions by many manufacturers, including the proverbial rebates and massive network tv ad campaigns.

Increasingly, color set sales went to the replacement and second-set market and that should continue. The same holds true with remote control models with sales of these sets accounting for something like 25% of the color mix during the year, according to several industry reports.

To the surprise of even some of the industry's top marketing mavens, black-and-white models continued to sell well, particularly the small portable combos.

Shipments dropped

Color set shipments dropped to 9,793,000 units (from 10,236,000 the previous year, which was an industry record), and the retail value of these sets suffered as well—$4,617,829,000 versus $4,992,654,000 in '78.

Color portable and table models generally sold more strongly than did consoles and combos, although the latter category continues to show strength and is favored by both manufacturer and retailer alike because of healthier margins.

In black-and-white, unit shipments in 1979 topped '78 overall, despite a big drop in monochrome console and combo sales.

Videocassette recorder activity was up significantly in 1979, but nothing like what had been anticipated by industry marketers. Still, it's a new and burgeoning market and bound to continue growing as new models, priced both higher and lower—are introduced and promoted.

In actual numbers, sales to dealers during 1979 were 478,000 units, valued at $431,292,000. This compares with 402,000 unit shipments in the previous year, valued at $356,480,000.

Of particular interest to a growing body of consumers have been the programmable, extended play (up to six hours), and portable models. In fact, programmable models account for at least half of all VCR sales and this ratio is expected to increase rapidly in favor of the more advanced units.

Better distribution

Another reason for optimism is that distribution is broadening, boosting consumer exposure and interest.

Projection, or wide-screen, tv also continued its measured growth in 1979. Industry shipments rose to an estimated 63,000 units versus 54,000 in '78 and demonstrated its high-end sales potential by recording a retail value of $182,700,000, up from $124,200,000 in '78.

Surprising to some, the great majority of projection tv systems are being sold for home use (about 85% of all sales), normally to an upscale consumer—one with plenty of adult toys at home.

The tv games market is foundering somewhat, possibly at the expense of other video products (such as VCR) and non-video electronic games. But it remains a market of some size; 1,685,000 units were shipped in 1979, valued at $105,955,000 at retail. •

Autosound

The autosound market picked up a little speed during 1979.

Despite some losses in a few 8-track categories, car stereo unit sales climbed from 8,655,000 in 1978 to 9,130,000 last year. The big winner was in-dash models, mainly in-dash cassette radio combos (up from 1.7 million in '78 to 2.2 million in '79) as consumers became better tuned in to what's available.

More younger and older car and truck owners are putting out their hard earned cash for step-up systems, including better speakers and accessories. Dealers also claim they're seeing more women shoppers. And new car dealers find that it's getting easier—despite generally poor car sales through much of last year—to interest new car buyers in something other than a factory radio.

Indeed, as the market continued to warm up, manufacturers took more of an interest in product development. The year saw smaller, more highly featured new car stereos, better speakers and accessories.

The fact that several "brand name" audio/hifi manufacturers entered the market, backed up impressive advertising and promotional budgets, didn't actually hurt the market either, although it may have taken the edge off someone's market share.

CB remains a problem, although it's a viable market for those who have elected to stick by it with new products and promotions. Overall, CB unit sales fell to 1,590,000 in '79, down from 4,736,000 the previous year.

Particularly hard hit were CB base stations. Sales of these units dropped to 190,000 last year from 686,000 in 1978.

All 8-track models were off in unit sales in '79 with in-dash models being the least hard hit. •

10-Year Tables: Electronics Analysis

Audio/Hifi/Tape

Audio/hifi, but mainly hifi, went through some trauma during 1979.

Unit shipments and the value of these shipments were up—not by much, but they were up—all in the face of tougher competition within the industry, higher product development and promotional costs, dealer failures and more competition than ever for consumers' discretionary dollars.

In hifi, every component product category showed an increase in 1979 over '78, although it was slight in a few cases.

In compacts, unit sales were off overall during the year. As for portable tape, overall unit shipments were up slightly only because a swiftly declining 8-track market tended to pull down the entire category.

Cassette decks good

Tape decks were up overall, although 8-track, console stereo and open reel models—in decline during the year—took the edge off good cassette unit sales.

All radios were down in both unit shipments and retail value. Least impacted were clock radios with shipments off to 10,200,000 from 10,707,000 in 1978.

Separates gain impressively

Separates, such as amplifiers, preamplifiers and tuners, made the most impressive unit shipment gains in 1979, climbing to 417,000 versus 370,000 in '78. Increases in other components weren't quite as healthy.

Cassette trimode compacts recorded the best increase in compact systems, jumping to 1,235,000 (up from 330,000 in '78). But with so many 8-track products to contend with, the compact systems market overall dropped to 4,341,000 in 1979 from 4,474,000 the previous year.

Broader consumer interest

Against this background, more manufacturers and retailers have been working hard to strengthen their position in the market and to broaden consumer interest in audio/hifi.

Saddled for years with what seemed to be unyielding buyer demographics, the hifi makers in particular have been trying to "break out" via appeals to younger, older and women buyers. Admittedly, they're having a tough time of it, but they're going to keep trying.

Meanwhile, compact systems prices are coming closer to hifi components packages, and portable tape models are beginning to embody most, if not all, of the features of the larger, more expensive recorder/player cassette versions and sound better year-to-year.

But, of course, everyone knows all this. •

Personal Electronics

Every type of calculator increased in unit shipments in 1979 over the previous year. This wasn't necessarily true, however, in retail value.

Shipments of mini-card calculators, for example, increased to 2,598,000 units in 1979, up from 2,050,000 in '78. But the retail value (dollars) of '79 mini-card models dropped to $57,156,000 from $61,500,000 the previous year.

This was also true in all types of desktop calculator models (display only, printer only and printer/display). Whereas unit shipments were up in 1979 over '78, the retail value of these shipments dropped noticably last year, down to $350,000,000 from $419,850,000 in 1978.

The biggest drop in the value of retail shipments came in programmable hand-helds. Although unit shipments of these models climbed slightly to 82 million from 75 million units in 1978, their retail value dropped to $13,530,000 from $13,875,000, according to Commerce Dept. data.

Overall, 24,978,000 calculators (both hand-helds and desktops) were shipped in the U.S. in 1979, valued at $775,923,000. This compares to shipments of 23,341,000 valued at $1,039,464,000 in 1978.

Digital watches fared well in 1979, too, although sales of the LED display types dropped considerably at the expense of the increasingly popular LCD models. Hardest hit were the women's LED styles, and this was a big factor in LCDs cutting into LED sales.

Also, despite continued interest in some of the multi-featured digitals (chronograph and calculator models in particular), the electronic analogs—heavily promoted during the year—are gaining in popularity and this tended to undercut some digital sales.

Specifically, LCD model shipments climbed to 16,750,000 units (up from 11,500,000 in 1978), valued at $611,250,000 (up from $517,500,000 in '78).

Overall, digital watch shipments totaled 19,717,000 versus 17,750,000 the previous year.

Telephone answering devices is another area which saw growth in shipments but not dollars. Unit shipments climbed to 495,000 in 1979 from 400,000 in '78 as the value of these products at retail dropped to $80,685,000 in '79 from $84,000,000 in '78. •

TEN YEAR TABLES:

Product Sales Growth & Performance

PRODUCTS	1970		1971		1972		1973		1974	
	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)
VIDEO										
TV, B&W, Total	4,546	610,686	4,874	637,400	8,145	1,008,270	7,033	861,527	5,941	679,792
Portable & Table	4,172	534,016	4,530	561,720	7,851	942,120	6,787	807,653	5,791	648,592
Console & Combo	374	76,670	344	75,680	294	66,150	246	53,874	150	31,200
TV, Color, Total	4,822	2,478,927	6,181	3,249,805	8,378	4,196,970	9,263	4,162,987	7,830	3,637,200
Portable & Table	2,419	943,410	3,461	1,470,925	5,340	2,237,460	6,081	2,304,699	5,304	2,121,600
Console & Combo	2,403	1,535,517	2,720	1,778,880	3,038	1,959,510	3,182	1,858,288	2,526	1,515,600
TV, Projection	–	–	–	–	–	–	–	–	–	–
Videocassette Recorders	–	–	–	–	–	–	–	–	–	–
TV Games	–	–	–	–	–	–	–	–	–	–
AUDIO/HIFI										
Components, Total	–	–	–	–	–	–	–	–	9,991	1,007,765
Receivers	–	–	–	–	–	–	–	–	960	336,000
Amps, Pre-Amps, Tuners	–	–	–	–	–	–	–	–	231	69,300
Turntables (Excluding OEM)	–	–	–	–	–	–	–	–	1,767	167,865
Cartridges (Excluding OEM)	–	–	–	–	–	–	–	–	2,533	64,000
Speakers (Components Only)	–	–	–	–	–	–	–	–	2,500	300,000
Headphones	–	–	–	–	–	–	–	–	2,000	70,000
Compact Systems, Total†	–	–	–	–	–	–	–	–	3,427	–
Cassette Bimode	–	–	–	–	–	–	–	–	32	–
8-Track Player Bimode	–	–	–	–	–	–	–	–	652	–
8-Track Player Trimode***	–	–	–	–	–	–	–	–	1,234	–
8-Track Recorder Bimode	–	–	–	–	–	–	–	–	549	–
Changer Bimode***	–	–	–	–	–	–	–	–	377	–
8-Track Recorder Trimode***	–	–	–	–	–	–	–	–	480	–
Cassette Trimode***	–	–	–	–	–	–	–	–	103	–
Portable Tape, Total	–	–	–	–	–	–	–	–	11,128	505,832
Cassette	–	–	–	–	–	–	–	–	9,844	423,292
8-Track Players	–	–	–	–	–	–	–	–	1,174	70,440
8-Track Recorders	–	–	–	–	–	–	–	–	110	12,100
Tape Decks, Total	–	–	–	–	–	–	–	–	421	125,295
Cassette	–	–	–	–	–	–	–	–	244	59,780
8-Track	–	–	–	–	–	–	–	–	80	11,680
Open Reel	–	–	–	–	–	–	–	–	97	53,835
Console Stereo**	1,087	358,710	1,023	322,245	949	302,731	923	280,592	837	244,404
Radios, Total	34,049	681,519	34,105	690,730	42,149	800,932	37,652	777,918	33,230	723,570
Table	5,714	165,706	4,760	123,760	4,926	123,150	3,023	81,621	2,764	80,156
Portable	23,461	398,837	22,885	411,930	29,749	475,984	24,204	435,672	21,292	340,672
Clock	4,874	116,976	6,460	155,040	7,474	201,798	10,425	260,625	9,174	302,742
AUTO SOUND										
Autosound, Total	–	–	–	–	–	–	–	–	5,504	478,848
UD 8-Track Player	–	–	–	–	–	–	–	–	2,088	–
UD 8-Track/Radio Combo	–	–	–	–	–	–	–	–	846	–
ID 8-Track/Radio Combo	–	–	–	–	–	–	–	–	816	–
UD Cassette Player	–	–	–	–	–	–	–	–	591	–
UD Cassette/Radio Combo	–	–	–	–	–	–	–	–	248	–
ID Cassette/Radio Combo	–	–	–	–	–	–	–	–	323	–
Radios Only (Retrofit)	–	–	–	–	–	–	–	–	592	–
Radios, Citizens Band, Total	–	–	–	–	–	–	–	–	1,750	343,000
Base Units	–	–	–	–	–	–	–	–	175	43,750
Mobile Units	–	–	–	–	–	–	–	–	1,575	299,250
BLANK TAPE										
Blank Tape, Total	–	–	–	–	–	–	–	–	185,901	290,395
Audio	–	–	–	–	–	–	–	–	–	–
Cassette	–	–	–	–	–	–	–	–	148,767	208,274
Open Reel	–	–	–	–	–	–	–	–	11,567	33,544
8-Track	–	–	–	–	–	–	–	–	25,567	48,577
Video	–	–	–	–	–	–	–	–	–	–
CALCULATORS										
Calculators, Total	–	–	–	–	–	–	–	–	14,280	1,349,000
Hand-Held, Total	–	–	–	–	–	–	–	–	12,030	709,000
Mini-Card	–	–	–	–	–	–	–	–	–	–
Printer	–	–	–	–	–	–	–	–	–	–
Programmable	–	–	–	–	–	–	–	–	30,000	9,000
Other	–	–	–	–	–	–	–	–	–	–
Desk-Top, Total	–	–	–	–	–	–	–	–	2,250	640,000
Display Only	–	–	–	–	–	–	–	–	1,050	150,000
Printer Only	–	–	–	–	–	–	–	–	1,120	450,000
Printer/Display	–	–	–	–	–	–	–	–	80	40,000
DIGITAL WATCHES										
Digital Watches, Total	–	–	–	–	–	–	–	–	667	66,700
LED	–	–	–	–	–	–	–	–	200	–
LCD	–	–	–	–	–	–	–	–	467	–
TEL. ANS. DEVICES	–	–	–	–	–	–	–	–	–	–

* Revised   ** Included combinations 1970-1978; now included only under TV

*** Includes Changer   † All Units Include Stereo Radio

MANUFACTURER SHIPMENTS OF PRODUCTS FOR SALE IN THE UNITED STATES WHETHER U.S. OR FOREIGN MADE

HOME and AUTO ELECTRONICS

1975		1976		1977		1978		1979		
NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	NUMBER SHIPPED (000)	RETAIL VALUE (000)	PRODUCTS
										VIDEO
4,968	529,160	5,196	567,430	5,664	650,913	6,064	701,134	6,281	681,867	**TV, B&W, Total**
4,888	513,240	5,134	554,472	5,617	640,338	6,030	693,450	6,258	675,864	Portable & Table
80	15,920	62	12,958	47	10,575	34	7,684	23	6,003	Console & Combo
6,485	3,270,926	7,700	3,933,156	9,107	4,438,234	10,236	4,992,654	9,793	4,617,829	**TV, Color, Total**
4,403	1,919,708	5,428	2,415,460	6,600	2,778,600	7,618	3,207,178	7,530	3,094,830	Portable & Table
2,082	1,351,218	2,272	1,517,696	2,507	1,659,634	2,618	1,785,476	2,263	1,522,999	Console & Combo
7	–	12	26,400	20	38,000	54	124,200	63	182,700	**TV, Projection**
–	–	43	51,600	225	247,500	402	356,480	478	431,292	**Videocassette Recorders**
350	–	3,550	150,500	5,420*	263,550*	2,585	163,075	1,685	105,955	**TV Games**
										AUDIO/HIFI
10,105	1,017,339	10,891	1,142,529	12,045	1,323,775	13,190	1,497,340	14,425	1,666,375	**Components, Total**
970	306,000	1,050	341,250	1,185	392,235	1,320	442,200	1,450	398,750	Receivers
263	75,744	275	81,125	320	96,640	370	111,740	417	116,760	Amps, Pre-Amps, Tuners
1,709	179,445	1,866	222,054	2,015	251,875	2,200	281,600	2,433	316,290	Turntables (Excluding OEM)
2,533	64,600	2,600	67,600	3,000	81,000	3,200	89,600	3,500	98,000	Cartridges (Excluding OEM)
2,550	318,750	2,800	350,000	3,125	415,625	3,500	476,000	3,850	600,600	Speakers (Components Only)
2,080	72,800	2,300	80,500	2,400	86,400	2,600	96,200	2,775	135,975	Headphones
3,491	680,860	3,582	715,696	4,508*	914,896*	4,474	962,979	4,341	939,028	**Compact Systems, Total†**
36	5,760	38	6,260	45*	7,515*	53	9,275	73	14,162	Cassette Bimode
528	83,952	525	85,575	631*	104,115*	603	102,510	383	54,769	8-Track Player Bimode
798	158,802	843	171,972	1,081*	222,685*	1,038	221,094	777	140,637	8-Track Player Trimode***
590	108,560	555	102,675	685*	128,780*	600	120,000	417	79,230	8-Track Recorder Bimode
325	32,500	324	33,048	399*	41,496*	350	38,500	268	37,788	Changer Bimode***
1,024	244,736	1,100	267,300	1,397*	342,265*	1,500	382,500	1,188	283,932	8-Track Recorder Trimode***
190	46,550	197	48,856	270*	68,040*	330	89,100	1,235	328,510	Cassette Trimode***
10,240	486,893	11,182	531,485	12,239	584,735	13,198	680,991	13,407	674,475	**Portable Tape, Total**
8,663	381,172	9,546	419,400	10,500	462,000	11,600	568,400	12,250	600,250	Cassette
1,479	93,177	1,542	100,230	1,637	109,679	1,513	101,371	1,100	67,100	8-Track Players
98	12,544	.94	11,855	102	13,056	85	11,220	57	7,125	8-Track Recorders
486	133,057	518	147,187	591	162,375	650	182,290	675	183,510	**Tape Decks, Total**
291	66,057	313	71,677	385	88,165	440	103,840	495	113,850	Cassette
87	13,000	90	13,410	97	15,132	95	15,200	72	10,800	8-Track
108	54,000	115	62,100	109	59,078	115	63,250	108	58,860	Open Reel
530	166,950	654	215,166	725	253,750	600	186,000	540	108,000	**Console Stereo****
25,276	614,942	31,656	821,719	41,800	1,168,000	32,478	1,056,190	28,550	918,750	**Radios, Total**
2,253	74,349	2,876	106,412	1,800	72,000	1,505	67,725	1,250	56,250	Table
16,382	294,876	21,427	428,540	28,000	616,000	20,266	506,650	17,100	393,300	Portable
6,641	245,717	7,353	286,767	12,000	480,000	10,707	481,815	10,200	469,200	Clock
										AUTO SOUND
6,484	540,421	6,776	608,018	8,644	824,062	8,655	888,080	9,130	1,081,225	**Autosound, Total**
1,895	85,275	1,735	78,075	1,900	87,400	1,600	78,400	1,300	78,000	UD 8-Track Player
860	66,220	500	38,560	555	43,845	500	41,000	500	48,000	UD 8-Track/Radio Combo
1,462	157,896	2,255	248,050	2,590	292,670	2,600	296,400	2,500	342,500	ID 8-Track/Radio Combo
665	49,210	560	44,240	750*	60,750*	700	58,800	775	58,900	UD Cassette Player
340	42,840	375	46,875	550*	70,400*	555	75,480	605	75,625	UD Cassette/Radio Combo
522	78,300	700	101,500	1,233*	183,717*	1,700	255,000	2,200	343,200	ID Cassette/Radio Combo
740	60,680	651	50,778	1,066*	85,280*	1,000	83,000	1,250	135,000	Radios Only (Retrofit)
4,500	816,300	11,280	1,976,220	7,182	571,620	4,736	393,260	1,590	130,210	**Radios, Citizens Band, Total**
675	154,575	1,820	405,860	1,005	201,000	686	109,760	190	24,885	Base Units
3,825	661,725	9,460	1,570,360	6,177	370,620	4,050	283,500	1,400	105,325	Mobile Units
										BLANK TAPE
203,844	348,552	230,700	400,433	249,090	478,282	268,500	805,100	244,753	686,931	**Blank Tape, Total**
–	–	–	–	246,090	436,282	263,000	710,100	234,786	511,259	Audio
162,156	251,342	186,500	296,535	200,000	324,000	220,000	564,000	203,986	399,509	Cassette
12,030	37,894	12,600	40,698	12,250	41,895	11,000	69,100	9,200	72,558	Open Reel
29,658	59,316	31,600	63,200	33,840	70,387	32,000	77,000	21,600	39,192	8-Track
–	–	–	–	3,000	42,000	5,500	95,000	9,967	175,672	Video
										CALCULATORS
18,350	1,152,500	20,541	807,803	22,089	876,767	23,341	914,589	24,978	775,923	**Calculators, Total**
16,050	612,500	17,563	361,813	18,808	425,872	20,111	494,739	21,317	425,333	Hand-Held, Total
–	–	–	–	–	–	2,050	61,500	2,598	57,156	Mini-Card
–	–	–	–	–	–	475	41,800	573	47,559	Printer
50	12,500	63	11,813	69	13,614	75	13,875	82	13,530	Programmable
–	–	–	–	–	–	17,511	377,564	18,064	307,088	Other
2,300	540,000	2,978	445,990	3,281	450,895	3,230	419,850	3,661	350,590	Desk-Top, Total
900	105,000	1,068	85,440	886	62,020	930	60,450	946	56,760	Display Only
1,300	390,000	1,660	298,800	2,000	300,000	1,400	197,400	1,478	133,020	Printer Only
100	45,000	250	61,750	395	88,875	900	162,000	1,237	160,810	Printer/Display
										DIGITAL WATCHES
4,200	319,200	11,400	615,600	15,600	686,400	17,750	642,500	19,717	648,654	**Digital Watches, Total**
3,000	–	7,260	–	9,140	–	6,250	125,000	2,967	37,404	LED
1,200	–	4,140	–	6,460	–	11,500	517,500	16,750	611,250	LCD
275	–	225	33,750	300	60,000	400	84,000	495	80,685	**TEL. ANS. DEVICES**

Revised*

Included combinations 1970-1978; now included only under TV**

Includes Changer***

All Units Include Stereo Radio†

ELECTRONICS HIGHLIGHTS

TOTAL HOME ELECTRONICS VOLUME, IN UNITS	1979 Units (000)	% Of Total	1978 Units (000)	% Of Total
AUTOSOUND	9,130	10.3	8,655	9.4
COMPACT SYSTEMS	4,341	4.9	4,474	4.9
HI FI COMPONENTS (including Tape Decks)	15,100	17.0	13,840	15.0
PORTABLE TAPE	13,407	15.1	13,198	14.4
RADIOS	28,550	32.1	32.478	35.3
TV, B&W	6,281	7.1	6,064	6.6
TV, COLOR	9,793	11.0	10,236	11.1
TV GAMES	1,685	1.9	2,585	2.8
TV, PROJECTION	63	0.1	55	0.1
VIDEOCASSETTE RECORDERS	478	0.5	402	0.4
TOTAL	88,828	100.0%	91,987	100.0%

Analysis:

Color tv shipments were off in 1979, but not by much. Indeed, manufacturers were soothed somewhat by the fact that '79 sales levels had to be compared with the previous year—when an all-time record 10,236,000 color sets were sold.

Overall, some 9,793,000 color tv sets were shipped to dealers last year with gains reported in only one area, the 12- and 13-in. screen sizes. However, 18- and 19-in. models came very close to 1978 sales performances and 9-in. sets sold at virtually the same levels in '79 as in 1978.

Black-and-white tv sales were actually up in '79, from 6,064,000 to 6,281,000 sets. Most of the sales strength came in the 12-in. units, with additional gains by the mini combination tv/radio sets. Thirteen and 15-in. models were essentially flat in sales to dealers in 1979.

Screen size aside, most of the growth in monochrome tv was in AC/DC sets.

To their genuine delight, manufacturers have found that black-and-white tv has become an impulse item in some areas and that sales continue to hold up despite little or no national advertising.

Videotape recorders

VCR shipments were up, too, in 1979, but not nearly to the levels that had been anticipated. And in what seems to be a continuing trend in VCR, VHS format model sales grew to twice the Beta model levels in units.

Color video camera sales jumped to 43,000 units in '79, well above the 15,000 shipped in '78. Black-and-white cameras, on the other hand, dropped well off '78 shipments, down to 30,000 in '79 from a high of 46,000 the previous year.

Sales of tv games also were off in '79, possibly because of growth in non-video electronic games and even personal computer sales. The biggest impact was felt by the lower-end, non-programmable tv games.

Audio products

Hifi component shipments, including tape decks, were up, as were autosound and portable tape products. But radios were well off the '78 mark and compact systems were down.

One compact model type did show good growth, however. That was the so-called quadmode (receiver, turntable, cassette, 8-track player). Shipments of quadmodes more than doubled last year over 1978 to 123,000 units.

Car speaker pairs were up, too, climbing to 9,500,000.

Microcassette recorders also showed good growth as manufacturers perceived growing consumer awareness of the product.

Radios were off in 1979 with few exceptions and these were specialty models, such as multibands, scanners, digital clock radios.

Blank, prerecorded tape

In blank tape, both cassette and open reel shipments were down from the previous year. Also, shipments of metal particle blank audio cassettes are reported here for the first time.

While VCR hardware sales are up, they're not up quite so dramatically as shipments of prerecorded videocassettes. In this category, X-rated, or "adult" programs climbed 88% in '79 over '78, despite retail prices averaging close to $100 per copy. General material grew, too, up 62% last year.

Merchandising has also begun to track prerecorded videotape by format for the first time and in this area VHS is running ahead of Beta, but not very far ahead, possibly reflecting the head start in the marketplace by Beta format equipment. •

AUDIO

QUADMODE

1979		1978	
Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
123	39,483	60	19,500

CAR SPEAKER SHIPMENTS (IN PAIRS)

1979		1978	
Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
9,500	437,000	9,200	395,600

BLANK CASSETTE SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Metal Particle Tape	226	–	–
Chromium Dioxide	6,538	9,000	-27
Ferrite Chrome	4,359	7,000	-38
*Premium Ferrite	98,073	90,000	+ 9
Promotional Ferrite	94,790	114,000	-17
TOTAL	203,986	220,000	- 7

BLANK OPEN REEL SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
*Premium Ferrite	7,700	9,000	-14
Promotional Ferrite	1,500	2,000	-25
TOTAL	9,200	11,000	-16

BLANK 8-TRACK SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
*Premium Ferrite	8,650	13,000	-33
Promotional Ferrite	12,950	19,000	-32
TOTAL	21,600	32,000	-33

*Includes High Coercivity Ferrite, Cobalt Ferrite, etc.

MICROCASSETTE RECORDER SHIPMENTS

1979		1978	
Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
158	18,960	115	9,200

CASSETTE/RADIO COMBO SHIPMENTS

1979	
Units (000)	Retail Value (000)
3,967	277,690

CASSETTE TAPE DECKS WITH METAL PARTICLE TAPE CAPABILITY

1979	
Units (000)	Retail Value (000)
64	24,000

ELECTRONICS HIGHLIGHTS

VIDEO

B&W TV SHIPMENTS BY SCREEN SIZE

Screen-Size	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Mini Combination Units	322	300	+ 7
9-Inch & Under (Excluding mini-combination units)	560	616	- 9
12-Inch	4,372	3,876	+13
13 & 15-Inch	176	180	- 2
16 & 17-Inch	156	224	-30
18 & 19-Inch	667	824	-19
22-Inch	28	44	-36
Console & Combo	23	34	-32
Table	5	10	-50
TOTAL	6,281	6,064	+ 4

COLOR TV SHIPMENTS BY SCREEN SIZE

Screen Size	1979 Units (000)	1978 Units (000)	% Change 1979/78
9-Inch	369	369	–
12 & 13-Inch	1,352	1,223	+11
14 & 15-Inch	316	339	- 7
16 & 17-Inch	382	470	-19
18 & 19-Inch	4,807	4,839	- 1
21-Inch	176	217	-19
23-Inch	248	300	-17
Console & Combo	212	255	-17
Table	36	45	-20
25-Inch	2,143	2,479	-14
Console & Combo	2,051	2,363	-13
Table	92	116	-21
TOTAL	9,793	10,236	- 4

PRE-RECORDED VIDEOTAPE BY FORMAT

Format		1979 Units (000)	Retail Value (000)
Beta		906	62,514
VHS		1,252	91,396
TOTAL		2,158	153,910

VIDEOCASSETTE RECORDER SHIPMENTS BY FORMAT

	1979		1978	
	Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
Beta	148	132,312	125	116,875
VHS	330	298,980	277	239,605
TOTAL	478	431,292	402	356,480

VIDEO CAMERA SHIPMENTS BY TYPE

	1979		1978	
	Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
B&W	30	10,620	46	14,398
Color	43	51,428	15	16,500
TOTAL	73	62,048	61	30,898

BLANK VIDEOTAPE SHIPMENTS BY FORMAT

	1979		1978	
	Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
Beta	4,567	73,072	3,000	45,000
VHS	5,400	102,600	2,500	50,000
TOTAL	9,967	175,672	5,500	95,000

PRE-RECORDED VIDEOTAPE

Type	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Non-X-Rated	633	390	+62
X-rated	1,525	810	+88
TOTAL	2,158	1,200	+80

TV GAME SHIPMENTS BY TYPE

Type	1979 (000)		1978 (000)		% Change 1979/1978
	Units	Retail Value	Units	Retail Value	
Non-Programmable	1,085	24,955	1,800	41,400	-40
Programmable	600	81,000	785	121,675	-24
TOTAL	1,685	105,955	2,585	163,075	-35

RADIO

HOME RADIO SHIPMENTS BY POWER SOURCE

Type	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Plug-In	11,700	12,082	- 3
Battery-Operated	8,400	8,412	N.C.
AC/DC Combo	8,450	11,984	-29
TOTAL	28,850	32,478	-11

HOME RADIO SHIPMENTS BY TYPE

Type	1979 Units (000)	1978 Units (000)	% Change 1979/1978
AM only	5,710	7,933	-28
FM & AM/FM	22,840	24,545	- 7
TOTAL	28,550	32,478	-12

SPECIALTY RADIO SHIPMENTS BY TYPE

Type	1979 Units (000)	1978 Units (000)	% Change 1979/1978
MULTI-BAND	7,200	7,000	+ 3
WEATHER-BAND	950	1,000*	- 5
SCANNERS	920	800*	+15
DIGITAL CLOCK	7,600	7,361	+ 3
Solid State	4,700	3,090	+52
Mechanical Leaf	2,900	4,271	-32

*Revised

PERSONAL ELECTRONICS HIGHLIGHTS

Analysis:

If there were a contest in personal electronics products growth in 1979, it wouldn't be a contest. Non-video electronic games experienced the most growth in this category—at least in unit sales.

Hand-held models did particularly well at retail with 12.9 million units sold during the year—a 251% increase over 1978.

To be sure, there were many more suppliers in 1979, and they had quite a few more games to offer, especially toward the end of the year when they experience most of their sales. But there were still some shortages at retail and several suppliers and merchants have indicated they could have sold even more games had they been in more plentiful supply.

One big plus was that electronics have begun to move into a broader market. For example, there are more electronic games designed for the preschooler than ever before.

Another point for the retailer is that his early fears that consumers wouldn't accept the higher priced games have been allayed.

Board games growing

Although most of the action continues in the hand-held variety, electronic board games sales also are growing. Sales of these units were up 61%, to the point where they now make up almost a third of the non-video electronic games market in unit sales.

Overall, 16,083,000 games were sold in 1979, a 184% jump over the 5,656,000 sold in 1978.

Personal computers also demonstrated good sales growth in '79, but, again, probably didn't do as well as many marketers had projected.

But the market is obviously catching on as unit sales climbed to 246,000 versus 212,000 in '78.

Although radar detector makers had anticipated a better than one-million unit sales year, it apparently hasn't worked out that way. From expectations earlier this year of about 1.4 million units, radar detector sales are now estimated to have come closer to 610,000 in 1979, or down about 28% from the 850,000 sold in '78.

Advanced phones do best

Telephones continued to grow last year, with decorator models gaining on the so-called standard style. But the advanced electronic unit, those multi-featured models with digital displays, produced the greatest gains during the year.

In fact, the "advanced" models jumped to 144,000 shipments against 66,000 the previous year, at least partly due to greater consumer awareness of the category and, of course, new products.

Decorator phones are up at least a third in '79 shipments and the standard telephones climbed to 994,000 in unit shipments compared to 752,000 in '78.

LCD outstrips LED watches

In digital watches, LCD models continued to gain against LED units. This was particularly true in women's models—indeed, shipments of LED women's styles fell by about 62% during the year. Overall, LED display watches were off 53% in '79.

LCD watch shipments were up across the board over 1978—up 34% for men's models and up 82% for women's. One reason for the improved shipments of women's models, some industry sources believe, is that they're now available in so many more styles and designs. Also, the range of prices is greater.

Overall, an estimated 19,717,000 digital watches were shipped in the U.S., an 11% increase over the 17,750,000 shipped in 1978.

CB radio isn't foundering by any means, but it is a declining market.

This is particularly true of base station models, which dropped 72% in shipments last year.

Mobile CBs didn't much better.

Overall, an estimated 1,590,000 CB radios were shipped in the U.S. during 1979, down 66% from the 4,736,000 moved the previous year. •

CITIZEN BAND RADIO SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
BASE STATION Without SINGLE SIDEBAND	115	491	-77
BASE STATION With SINGLE SIDEBAND	75	195	-62
TOTAL BASE STATION	190	686	-72
MOBIL UNITS Without SINGLE SIDEBAND	1,175	3,612	-67
MOBIL UNITS With SINGLE SIDEBAND	225	438	-49
TOTAL MOBILE UNITS	1,400	4,050	-65
TOTAL CB'S	1,590	4,736	-66

PERSONAL COMPUTER SHIPMENTS

1979 Units (000)	1978 Units (000)	% Change 1979/1978
246	212	+16

NON-VIDEO ELECTRONIC GAME SHIPMENTS

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
Board	3,183	1,976	+ 61
Hand-Held	12,900	3,680	+251
TOTAL	16,083	5,656	+184

RADAR DETECTOR SHIPMENTS

1979 Units (000)	1978 Units (000)	% Change 1979/1978
610	850	-28

TELEPHONE SHIPMENTS

	1979		1978	
	Units (000)	Retail Value (000)	Units (000)	Retail Value (000)
Standard	994	28,826	752	18,800
Decorator	962	81,770	600	43,800
Advanced Electronic	144	21,600	66	4,620
TOTAL	2,100	132,196	1,418	67,220

DIGITAL WATCH SHIPMENTS BY TYPE

	1979 Units (000)	1978 Units (000)	% Change 1979/1978
LED			
Men's	2,367	4,675	-49
Women's	600	1,575	-62
TOTAL	2,967	6,250	-53
LCD			
Men's	11,750	8,750	+34
Women's	5,000	2,750	+82
TOTAL	16,750	11,500	+46
GRAND TOTAL DIGITAL WATCHES	19,717	17,750	+11

WORLD MARKETING

The Export/Import Picture for Major Appliances, Home Electronics, and Housewares

EXPORTS

Number of units exported. Mfr's value plus freight and insurance (all figures in thousands)

MAJOR APPLIANCES

PRODUCT	1979*	1978	1977	1976
DISH-WASHERS	170 $30,809	171 $31,537	198 $ 34,439	241 $ 42,289
DRYERS	48 $10,395	55 $10,108	71 $ 11,801	76 $ 11,405
FREEZERS	47 $15,949	49 $14,310	40 $ 10,660	36 $ 10,100
MICROWAVE OVENS	99 $26,290	133 $28,532	72 $ 15,386	77 $ 17,173
RANGES, ELECTRIC	73 $19,511	130 $23,024	70 $ 11,942	63 $ 10,944
REFRIG-ERATORS	342 $140,324	370 $137,351	318 $ 98,980	267 $ 85,500
ROOM AIR CONDITIONERS	633 $195,495	873 $251,159	884 $254,439	759 $188,064
WASHERS, AUTOMATIC	85 $23,238	87 $19,427	127 $ 27,384	122 $ 24,896
WASHERS, OTHER	121 $26,213	156 $29,344	49 $ 8,438	62 $ 10,044

HOME ELECTRONICS

PRODUCT	1979*	1978	1977	1976
RADIOS	1,168 $64,415	1,523 $73,672	1,138 $ 53,027	1,269 $ 44,936
TV, B&W	158 $17,431	212 $21,374	153 $ 16,268	156 $ 19,986
TV, COLOR	360 $129,801	407 $129,856	186 $ 65,111	14 $ 160
TV CHASSIS & KITS	2,161 $110,973	2,511 $112,461	1,908 $ 96,833	3,061 $139,823
TV, TOTAL	2,679 $258,205	3,131 $263,691	2,248 $178,212	3,376 $220,905
TAPE RECORDERS & PLAYERS	173 $17,310	81 $13,095	198 $ 41,391	171 $ 33,153
VIDEOTAPE RECORDERS	3 $58,974	10 $41,860	8 $ 46,140	15 $ 51,513

HOUSEWARES

PRODUCT	1979*	1978	1977	1976
CAN OPENERS & KNIFE SHARPENERS	192 $ 1,941	170 $ 1,502	136 $ 1,224	196 $ 1,184
CLOCKS, ELECTRIC	955 $10,834	1,122 $10,564	912 $ 8,106	1,029 $ 9,398
COFFEE-MAKERS	1,079 $13,888	844 $10,110	627 $ 7,285	985 $11,832
FANS	309 $ 8,053	205 $ 5,625	515 $ 8,887	562 $ 8,826
IRONS	1,436 $13,990	1,259 $11,031	1,469 $18,802	1,251 $10,352
JUICERS, MIXERS & BLENDERS	1,365 $32,300	1,837 $38,383	1,356 $27,966	1,168 $20,639
PORTABLE ELECTRIC DRILLS	681 $14,131	691 $13,032	654 $10,948	596 $10,622
PORTABLE ELECTRIC SAWS**	671 $14,645	948 $14,984	– –	– –
PORT. ELEC. HANDTOOLS OTHER	2,058 $57,693	2,517 $63,978	3,487 $68,716	3,002 $60,847
SHAVERS, ELECTRIC	292 $ 3,199	152 $ 1,614	316 $ 2,846	152 $ 2,194
TOASTERS	1,388 $14,729	1,116 $10,327	726 $10,656	733 $ 6,979
VACUUM CLEANERS	840 $49,944	751 $37,822	745 $34,635	676 $28,468

SOURCE: U.S. Customs *Projection based on 11 months **Included in Portable Electric Handtools 1975-1977.

Number of units imported. Dollars paid by importers excluding duty, etc. (All figures in thousands)

IMPORTS: HOME ELECTRONICS

VIDEO

PRODUCT	1979	1978	1977	1976
ANTENNAS, TV	11,882 $ 12,477	11,676 $ 10,650	8,775 $ 8,053	3,179 $ 6,550
B&W TV (10-inch & under)	763 $ 54,200	1,077 $73,936	807 $ 49,997	871 $ 53,877
B&W TV (11-17 inches)	4,558 $243,487	4,300 $232,643	3,575 $202,933	3,127 $176,025
B&W TV (Over 18 inches)	502 $ 42,720	554 $ 44,279	526 $ 40,889	329 $ 24,834
COLOR TV (10-inch & under)	130 $ 28,023	240 $ 44,589	209 $ 34,186	135 $ 22,049
COLOR TV (11-17 inches)	714 $146,196	1,188 $221,914	940 $170,256	1,115 $188,513
COLOR TV (Over 18 inches)	577 $138,762	1,347 $310,585	1,391 $296,676	1,583 $310,953
TV, TOTAL	7,245 $653,388	8,706 $927,946	7,446 $794,937	7,161 $776,252
VIDEO TAPE RECORDERS	616 $342,421	509 $279,629	250 $ 73,666	70 $ 50,413
HOME VIDEO CAMERA, B&W	68 $ 14,947	108 $ 20,472	64 $ 12,172	– –
HOME VIDEO CAMERA, COLOR	107 $ 80,057	58 $ 54,261	11 $ 27,578	– –
PICTURE TUBES, B&W	641 $ 9,693	750 $ 8,272	515 $ 4,725	268 $ 2,184
PICTURE TUBES, COLOR	328 $ 20,858	297 $ 16,590	290 $ 15,498	191 $ 12,369

CALCULATORS

PRODUCT	1979	1978	1977	1976
DISPLAY ONLY	1,144 $ 19,632	1,281 $ 20,840	771 $ 13,447	– –
FULL KEYBOARD	– –	– –	41 $ 1,920	– –
HAND-HELD OR POCKET TYPE	18,812 $149,446	15,936 $132,925	9,186 $ 59,761	– –
10-KEY KEYBOARD NON-PRINT	– –	– –	119 $ 1,882	– –
10-KEY KEYBOARD PRINTING	– –	– –	553 $ 27,731	– –
OTHER FOR X AND ÷	509 $ 6,536	571 $ 14,598	593 $ 16,609	– –
ALL OTHER	3,853 $152,409	5,198 $177,199	5,599 $117,935	– –
TOTAL	24,319 $328,023	22,985 $345,562	16,861 $239,285	– –

AUDIO

PRODUCT	1979	1978	1977	1976
ANTENNAS, CB	1,713 $ 5,197	2,704 $ 7,781	– –	– –
ANTENNAS, RADIO	7,705 $ 14,269	5,198 $ 9,456	11,604 $ 34,105	14,356 $ 43,666
LOUDSPEAKERS	90,712 $251,369	90,253 $248,198	77,368 $173,852	74,278 $131,797
MICROPHONES	9,551 $ 26,478	8,732 $ 24,678	9,797 $ 24,388	9,166 $ 22,605
AUDIO FREQUENCY ELECTRIC AMPLIFIERS	4,757 $121,148	4,834 $107,504	3,696 $ 63,369	2,896 $ 37,513
HEADPHONE/ELECTRIC SOUND AMPLIFIER SETS	4,761 $ 33,026	5,586 $ 28,739	5,638 $ 21,525	5,190 $ 18,799
AUTO TRANSISTOR RADIOS	2,593 $ 95,644	3,335 $121,396	5,048 $152,204	5,474 $129,217
CLOCK TRANSISTOR RADIOS	8,678 $ 89,040	11,660 $120,274	9,274 $119,576	7,499 $ 86,293
AM TRANS. RADIOS (Not Battery Operated)	766 $ 44,137	1,118 $ 36,416	972 $ 13,156	1,154 $ 12,934
AM TRANS. RADIOS (Battery Operated)	6,633 $ 23,953	8,719 $ 25,377	9,347 $ 30,122	9,586 $ 27,970
FM AM/FM MULTIBAND TRANSISTOR RADIOS (Not Battery Operated)	2,469 $189,848	2,989 $247,384	3,010 $206,042	2,686 $168,873
FM AM/FM MULTIBAND TRANSISTOR RADIOS (Battery Operated)	9,984 $142,816	13,449 $1[illegible],299	13,870 $219,156	14,341 $198,796
RADIOS, TOTAL	31,123 $585,439	41,270 $749,145	41,521 $740,256	40,740 $624,083
RADIO/PHONO COMBOS (Including Consoles)	220 $ 5,900	361 $ 8,328	492 $ 11,186	404 $ 11,916
RADIO/PHONO/TAPE PLAYER COMBOS (Tape Player Trimode)	269 $ 9,549	449 $ 17,015	466 $ 18,337	483 $ 16,171
AUTOMATIC RECORD CHANGER	5,246 $ 92,297	8,644 $143,344	7,117 $106,735	6,604 $ 96,835
STEREO PHONOS	69 $ 5,186	135 $ 8,170	89 $ 5,875	89 $ 5,586
AUTOMATIC TURNTABLES	299 $ 23,198	480 $ 28,513	330 $ 17,801	239 $ 12,507
TURNTABLES OTHER	1,474 $ 89,959	1,933 $101,293	1,887 $ 62,864	1,276 $ 38,606
TRANSCEIVERS,/CB	1,248 $ 53,318	2,087 $ 92,408	5,461 $316,290	– –
TAPE PLAYERS AUTO	2,335 $ 55,982	2,884 $ 70,926	2,553 $ 52,523	4,143 $ 64,433
TAPE PLAYERS OTHER	1,135 $ 19,103	946 $ 17,595	1,100 $ 20,547	1,366 $ 25,658
TAPE RECORDERS, STEREO (Cassette/Cartridge)	2,153 $186,099	2,226 $179,172	1,348 $102,895	1,104 $ 71,748
TAPE RECORDERS, STEREO (Open Reel)	163 $ 18,689	165 $ 20,603	54 $ 11,536	92 $ 17,930
TAPE RECORDERS, MONO (Cassette/Cartridge)	830 $ 31,381	1,016 $ 41,919	1,825 $ 63,732	2,305 $ 60,046
TAPE RECORDERS, MONO (Open Reel)	57 $ 5,603	81 $ 10,238	84 $ 8,255	53 $ 3,420
TAPE RECORDERS, BATTERY (Cassette/Cartridge)	5,860 $157,210	6,946 $172,114	5,875 $127,968	5,247 $126,426
TAPE RECORDERS, BATTERY (Open Reel)	261 $ 23,604	333 $ 27,487	275 $ 22,778	348 $ 18,336
RADIO-TAPE RECORDER COMBOS	6,982 $354,703	5,230 $254,990	4,011 $265,942	3,514 $139,311
RADIO-TAPE PLAYER COMBOS	10,370 $505,514	9,982 $466,910	8,795 $349,941	7,774 $295,147
TOTAL TAPE RECORDERS/PLAYERS	30,147 $1,357,889	29,808 $1,261,953	25,001 $1,008,142	25,947 $822,456

WORLD MARKETING: IMPORTS (continued)

MAJOR APPLIANCES

PRODUCT	1979	1978	1977	1976
FREEZERS	42 $ 6,759	36 $ 5,883	33 $ 3,991	41 $ 4,218
MICROWAVE OVENS	826 $160,032	781 $162,540	563 $102,970	530 $81,531
REFRIGERATOR/ FREEZER COMBINATION (UNDER 6.5 CU.FT.)	410 $30,876	512 $41,788	275 $22,908	262 $19,256
REFRIGERATOR/ FREEZER COMBINATION (6.5 TO 9.5 CU.FT.)	30 $ 3,083	18 $ 1,945	24 $ 2,195	20 $ 2,114
REFRIGERATOR/ FREEZER COMBINATION (9.5 TO 13.5 CU.FT.)	45 $ 6,195	62 $ 7,484	56 $ 5,584	48 $ 5,013
REFRIGERATOR/ FREEZER COMBINATION (13.5 CU.FT. & OVER)	3 $ 1,395	7 $ 1,547	13 $ 2,679	9 $ 1,542
TOTAL REFRIGERATOR/FREEZER COMBINATION	488 $41,549	600 $52,764	368 $33,366	339 $27,925

HOUSEWARES

PRODUCT	1979	1978	1977	1976
CAN OPENERS & COMBINATIONS	471 $ 2,692	1,744 $ 7,596	1,733 $ 7,022	1,460 $ 5,733
COFFEE MAKERS	512 $ 5,362	633 $ 4,477	75 $ 440	608 $ 4,069
FOOD BLENDERS	516 $ 8,564	776 $12,894	538 $11,814	121 $ 1,272
HAIR DRYERS	15,738 $91,452	18,357 $115,800	15,957 $104,563	11,684 $75,040
IRONS	722 $ 8,406	234 $ 772	62 $ 307	35 $ 133
JUICE EXTRACTORS	217 $ 3,363	406 $ 5,205	338 $ 3,903	228 $ 2,465
SHAVERS, ELECTRIC	3,696 $57,261	3,728 $52,084	3,643 $48,620	3,077 $38,451
TOASTERS	152 $ 1,628	4 $ 49	50 $ 400	49 $ 297
VACUUM CLEANERS	340 $ 6,017	340 $ 5,520	348 $ 5,473	316 $ 4,547

(Final three 000s omitted)

Analysis:

The brightest import/export picture shows up for the electric housewares included in *Merchandising*'s World Marketing data. data.

Based on figures from U.S. Customs for nine electric housewares, imports were considerably below 1978 levels for can openers, coffeemakers, blenders, hair dryers and juice extractors. Also below the previous year's total but by less than 40,000 units are electric shavers.

More on-shore output

This could indicate a changeover to more on-shore production of these electric housewares and an attempt to correct the U.S. trade "imbalance."

For example, total can opener unit sales for 1979 are set at 5.5 million vs. 5.7 million in 1978, a drop of roughly 200,000 units. (See 10-year tables.) The number of can openers imported in 1979 totaled 471,000 units compared with 1.7 million units in 1978 or a drop of more than 1.2 million units.

While coffeemakers were off in unit imports, they were ahead in dollars. Much of this is due not to the dollar's weakness in the world money market but to imports of high-end espresso/cappuccino machines which are gaining popularity in the U.S. marketplace.

Showing no change in units imported, vacuum cleaners did ring up a higher dollar amount compatible with fluctuating currencies.

At first look, there is a dramatic increase of iron and toaster imports. A spot check, however, revealed that the bulk of these are "national brand" products produced off-shore but entering the country ready for the retailer's shelf.

Rise in housewares exports

Exports of seven of 12 electric housewares included in the World Marketing data show increases from a low of about 20,000 units for can openers and knife sharpeners to more than 270,000 units for toasters.

Dollar values are up on all the above items and for exports of electric clocks and portable electric drills, both of which show a drop in total units exported in 1979.

Refrigeration, m/w imports up

Imports of freezers, microwave ovens and refrigerator/freezer combos rose in 1978. Microwave ovens crossed the 800,000 unit mark for a total of $160 million. A change in price points is suggested here since, while just over 780,000 units were imported in 1978, the dollar value equalled $162.5 million.

Imports of refrigerator/freezer combos almost doubled in both units and dollars, reflecting the growing popularity of compact units.

Exports of major appliances were down across the board in units. Freezers and automatic washers reflected a dollar increase, however.

Most video imports fall

With the exception of 11- to 17-in. b/w tv sets, videotape recorders and color picture tubes, unit imports of video products fell below 1978.

Along with the above three items, home video cameras and b/w pictures tubes recorded dollar increases. Radio and tv antennas jumped ahead of 1978 in both unit and dollar volume.

About 1.4 million more calculators, primarily hand-held units, were imported in 1979 as compared to 1978, the dollar volume dropped almost $20 million reflecting the lower prices on these items.

Audio imports/exports

In the audio classification, loudspeakers, other tape players, radio-tape recorders, radio-tape players and microphones posted import gains over 1978 in units and dollars.

Three other products—audio frequency electric amplifiers, headphone electric sound amplifier sets and AM transistor radios—had dollar gains only.

Exports of home electronics products, not unexpectedly, were below 1978 unit shipments with the exception of commercial tape recorders and players. These items posted dollar gains as did videotape recorders.

Imports of CB transceivers off

Imports of CB transceivers continued their downward slide. Forty-channel home base units took a nosedive from 215,000 units at $13.4 million in 1978 to about 78,000 units at $4.2 million in 1979. Home base units with single sideband were down about 1,000 and $300,000.

Both the 40-channel and single sideband motor vehicle transceivers posted declines in units and dollars for imports, as well.

While the decline in imports and exports of most home electronic products is a step toward correcting U.S. balance of trade, more importantly, it underlines the foreign manufacturers who are producing on-shore and the relative status in the business last year. •

SATURATION ANALYSIS:

The potential merchandising opportunities in white and brown goods and electric housewares are diverse and many, as may be seen in the 1979 Saturation Index and 10-Year Saturday levels charts in the following two pages.

They can take two forms: Promoting in product areas where the numbers are low, especially for those items which are relatively new to the market; and pushing the replacement theme where the numbers are high.

In other words, microwave ovens, with a 7.6% saturation level, and color television, with its 89.8% saturation, both offer great merchandising openings, although it is a first-time purchaser who must be addressed in the first case, and a more-than-likely second-time purchaser in the second.

Six items show declines

Of the 42 products tracked in these tables, only six registered declines in 1979, and it seems likely that freezers, free-standing and built-in electric ranges had to be adversely affected by the fact that the number of electrified homes in the country rose by only 2%, compared with the 4.4% increase in 1978.

Freezers were off 0.2% to 44.7%, free-standing electric ranges were down 0.8% to 50%, and electric built-ins slipped 0.4% to 19.4%.

The other products which lost ground were electric fondues, down 0.1% to 4.5%; frypan-skillets, off 0.3% to 68%; and hotplates and buffet ranges, also off 0.3% to 26%. All other products either increased their saturation percentages or were unchanged.

Of the eight products registering no change in saturation from 1978 to 1979, five—irons, radios, monochrome television, toasters and vacuum cleaners—are as close to total saturation as is statistically possible. Calculators and coffeemakers increased their percentages to that point—99.9%—from 98.4% and 99.8%, respectively.

Four big gainers

Leading the gainers with three percentage points or more were digital watches, up 5% to 41.5%; color television, up 4.6% to 89.8%; hair dryers, up 3.9% to 44.1%; and food processors, up 3.1% to 6.9%.

The substantial gain in color tv penetration despite its previous high saturation level is, of course, another reflection of the importance of the second-set and replacement purchaser to this market in 1979, the second best sales year in its history. Food processors, on the other hand, almost doubled in market penetration from 1978 to 1979, but with a saturation percentage of only 6.9% should be able to continue a healthy rate of growth for some years to come.

Eight up point or more

Among the other products registering improvements of a point or more in their saturation percentages, five are in the housewares category and three are major appliances.

Housewares include can openers, ahead 2.9% to 63.6%; electric bed coverings, up 2.4% to 64.2%; ADC coffeemarkers, up 2.0% to 33.6%; cornpoppers, up 1.4% to 44.4%; and blenders, up 1.2% to 52.4%.

Major appliance gainers in this group are clothes washers, up 2.1% to 77.3%; clothes dryers, up 1.2% to 61.5%; and dishwashers, up 1.1% to 43.0%.

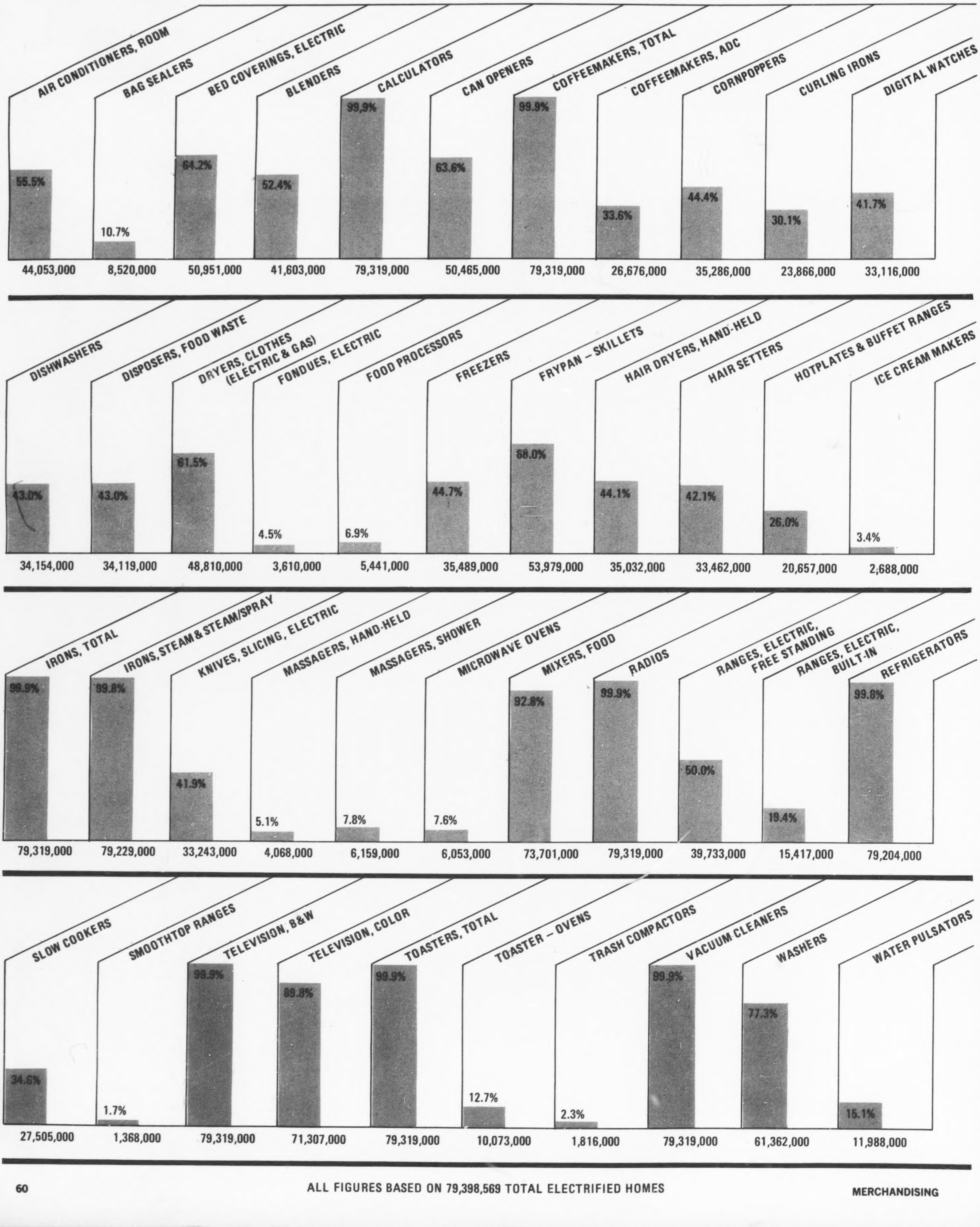
All other products on the tables were up less than one percentage point.

Two products which appeared in previous years—hamburger makers and styling combs—have been eliminated from this year's saturation tables, and oral hygene devices have been labeled "water pulsators" on the current charts.

Saturation is based on the percentage of electrified homes possessing one or more of each of the listed products. The first chart (p. 60) shows both saturation percentages and the actual number of electrified homes with a particular product, while the second chart (p. 61) demonstrates the saturation trends—product by product—over the past 10 years. •

SATURATION LEVELS: 1979

Percentages and Totals of Wired Homes With These Products



ALL FIGURES BASED ON 79,398,569 TOTAL ELECTRIFIED HOMES

SATURATION LEVELS: 1970-1979

PRODUCTS	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
AIR CONDITIONERS, ROOM	40.6%	44.5%	46.7%	48.9%	51.6%	52.8%	54.4%	55.3%	55.4%	55.5%
BAG SEALERS	–	–	–	–	–	–	4.2	10.6	10.6	10.7
BED COVERINGS, ELECTRIC	49.5	51.1	52.7	53.9	55.7	57.0	58.6	59.9	61.8	64.2
BLENDERS	36.5	40.0	41.5	42.9	43.8	45.2	47.6	50.0	51.2	52.4
CALCULATORS	–	–	8.9	26.2	46.7	67.6	83.0	92.7	98.4	99.9
CAN OPENERS	45.5	48.1	49.5	50.7	52.3	54.6	56.4	57.9	60.7	63.6
COFFEEMAKERS, TOTAL	86.6	91.0	93.1	94.8	96.5	97.7	99.4	99.7	99.8	99.9
COFFEEMAKERS, ADC	–	–	–	1.6	5.4	12.1	23.4	30.0	31.6	33.6
CORNPOPPERS	26.7	29.1	32.1	36.3	37.8	39.3	40.7	42.4	43.0	44.4
CURLING IRONS	–	–	–	2.9	8.5	12.6	21.9	27.3	28.6	30.1
DIGITAL WATCHES	–	–	–	0.5	1.3	5.1	16.9	32.3	36.7	41.7
DISHWASHERS	26.5	29.6	32.0	34.3	36.6	38.3	39.6	40.9	41.9	43.0
DISPOSERS, FOOD WASTE	25.5	28.4	31.9	35.3	37.2	38.8	40.7	42.8	42.9	43.0
DRYERS, CLOTHES (ELECTRIC & GAS)	44.6	47.6	51.0	53.9	56.5	57.7	58.6	59.3	60.3	61.5
FONDUES, ELECTRIC	–	1.1	2.1	2.9	3.7	4.2	4.5	4.6	4.6	4.5
FOOD PROCESSORS	–	–	–	–	–	–	0.3	1.2	3.8	6.9
FREEZERS	31.2	32.7	34.3	37.9	41.7	43.5	44.4	44.8	44.9	44.7
FRYPAN – SKILLETS	56.2	58.0	59.4	60.6	61.6	63.0	63.6	64.4	68.3	68.0
HAIR DRYERS, HAND-HELD, STYLING	–	1.8	4.5	9.1	15.7	20.9	28.0	33.3	40.2	44.1
HAIR SETTERS	23.3	28.5	32.8	36.5	38.5	40.0	41.3	41.8	41.8	42.1
HOTPLATES & BUFFET RANGES	24.5	24.8	25.0	25.1	25.5	26.2	26.6	26.7	26.3	26.0
ICE CREAM MAKERS	–	–	–	–	–	–	1.5	2.8	3.1	3.4
IRONS, TOTAL	99.7	99.8	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9
IRONS, STEAM & STEAM/SPRAY	88.2	90.1	91.4	93.3	95.0	97.2	97.7	98.6	99.0	99.8
KNIVES, ELECTRIC, SLICING	36.2	37.2	38.1	39.4	40.5	41.1	41.6	41.8	41.7	41.9
MASSAGERS, HAND-HELD	–	–	–	1.3	2.4	3.3	4.3	5.0	5.1	5.1
MASSAGERS, SHOWER	–	–	–	–	1.1	2.8	5.4	7.1	7.4	7.8
MICROWAVE OVENS	–	0.2	0.6	1.2	2.2	3.2	5.1	6.7	7.1	7.6
MIXERS, FOOD	82.4	84.4	85.2	87.3	88.5	90.2	91.1	92.4	92.2	92.8
RADIOS	99.8	99.8	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9
RANGES, ELECTRIC, FREE-STANDING	40.5	42.6	44.1	46.4	48.8	49.2	50.4	51.8	50.8	50.0
RANGES, ELECTRIC, BUILT-IN	15.0	15.7	16.6	17.3	18.8	19.3	19.7	20.1	19.8	19.4
REFRIGERATORS	99.8	99.8	99.9	99.9	99.9	99.9	99.9	99.9	99.7	99.8
SLOW COOKERS	–	–	–	4.6	8.0	16.7	25.5	33.8	34.2	34.6
SMOOTH-TOP RANGES	–	–	–	0.3	0.7	1.1	1.4	1.7	1.7	1.7
TELEVISION, B & W	98.7	99.8	99.8	99.9	99.9	99.9	99.9	99.9	99.9	99.9
TELEVISION, COLOR	42.5	51.1	60.7	67.1	71.5	74.4	77.7	81.3	85.2	89.8
TOASTERS, TOTAL	92.6	94.2	95.1	96.5	97.8	98.6	99.4	99.9	99.9	99.9
TOASTERS – OVENS	–	–	1.2	3.1	5.1	7.0	9.4	11.0	11.8	12.7
TRASH CAMPACTORS	–	0.2	0.5	0.9	1.4	1.7	2.0	2.3	2.3	2.3
VACUUM CLEANERS	92.0	94.4	96.9	97.5	98.4	99.2	99.5	99.9	99.9	99.9
WASHERS	62.1	64.3	66.9	67.8	68.4	69.9	72.5	73.3	75.2	77.3
WATER PULSATORS	8.1	9.3	10.6	11.9	12.9	13.7	14.4	14.8	14.9	15.1
(BASE) TOTAL NUMBER WIRED HOMES	64,025,000	65,550,000	67,307,000	68,448,000	70,908,000	72,717,000	74,084,000	75,889,000	77,830,000	79,330,560

RETAIL SALES PATTERNS

Percentage of Annual Retail Sales, by Region / Month

The data on this and the next two pages were projected from a national sampling of retailers.

The East

Except for air conditioners, freezers and refrigerators which hit their sales peaks in summer and washers which peaked in October, December sales of television sets and the other major appliances were the tops for 1979 in the East.

Television: Both color and b/w television almost doubled November sales in December, and the former had been their best showing to date.

Dishwashers: While December was definitely the peak month for dishwashers, with retailers recording 20.8% of annual sales, November posted a healthy 10%, followed by August with 9.6%.

Dryers: December went ahead of October for top dryer-sales month by 0.3%. The slow months—those posting less than 5% in sales—were April, May and July.

Freezers: Heralding the early harvests, August posted highest gains for freezer sales—17.5%.

Microwave ovens: Through October, sales of microwave ovens were flat at best. In November they jumped to 16.1% and soared to 44.4% in December.

Refrigerators: August recorded the high for refrigerator sales—14.9%; July was second at 11.3%.

Washers: While washer sales peaked at 12% in October—June, August and December were also double-digit months.

PRODUCT		THE EAST Comprising the states of Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island & Vermont.											
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
B&W TELEVISION	1979	7.1	6.9	5.2	4.4	6.5	5.4	5.4	9.5	9.1	8.9	10.6	21.0
	1978	4.7	5.8	7.5	6.8	5.9	6.5	7.9	5.4	7.7	8.5	9.6	23.7
COLOR TELEVISION	1979	6.3	6.1	6.7	5.6	5.4	6.1	5.6	8.4	10.1	8.6	11.1	20.0
	1978	6.7	5.5	5.1	5.1	5.6	4.5	6.3	6.1	10.7	13.0	13.1	18.3
TOTAL TELEVISION	1979	6.7	6.5	6.0	5.0	6.0	5.7	5.5	9.0	9.6	8.7	10.8	20.5
	1978	5.7	5.6	6.3	6.0	5.8	5.5	7.1	5.8	9.2	10.8	11.3	20.9
AIR CONDITIONERS (ROOM)	1979	0.3	0.4	0.8	1.5	8.4	20.4	39.1	26.4	1.9	0.5	0.1	0.2
	1978	1.2	0.4	0.8	2.3	15.7	29.0	29.2	18.6	2.4	0.4	0.4	0.3
DISHWASHERS	1979	4.5	3.9	6.5	6.4	6.5	8.2	7.0	9.6	8.5	8.1	10.0	20.8
	1978	4.2	2.9	5.8	10.5	9.9	8.9	4.4	7.6	6.5	8.0	10.8	20.5
DRYERS	1979	7.1	6.6	8.7	4.4	4.9	9.2	4.6	9.4	10.0	12.7	9.4	13.0
	1978	8.9	6.9	7.7	9.9	6.2	4.3	5.1	5.2	10.7	14.4	8.5	12.2
FREEZERS	1979	4.2	5.0	3.6	8.5	4.2	6.0	13.0	17.5	11.3	10.0	9.9	6.8
	1978	3.8	3.4	3.5	7.3	8.2	10.8	12.6	17.7	9.2	10.5	5.2	7.8
MICROWAVE OVENS	1979	4.9	2.8	2.9	2.7	4.6	3.3	3.5	4.9	4.6	5.3	16.1	44.4
	1978	2.9	2.5	1.6	6.0	5.2	4.0	5.0	2.3	3.6	10.6	12.9	43.4
RANGES	1979	5.8	5.6	5.2	8.9	6.8	5.9	6.1	11.9	8.9	9.5	10.9	14.5
	1978	3.6	6.6	9.5	10.2	8.7	8.6	9.7	6.5	9.7	7.6	9.1	10.2
REFRIGERATORS	1979	4.6	4.2	5.0	7.7	9.2	10.6	11.3	14.9	7.7	6.6	8.1	10.1
	1978	2.8	4.2	5.5	9.4	9.7	13.2	16.9	12.6	8.7	8.2	4.6	4.2
WASHERS	1979	6.0	6.6	9.1	5.4	6.5	10.2	6.1	10.5	8.2	12.0	8.2	11.2
	1978	8.1	7.4	8.4	9.7	7.6	6.3	6.6	6.8	10.3	11.6	7.8	9.4

The Midwest

With few exceptions, December scored sizeable retail gains in the Midwest. The summer months, obviously, were best for the "cool" products—air conditioners, freezers and refrigerators.

Television: December was the big month for television sales—26.8% of b/w sets were sold in the Midwest that month and 21.3% of color sets.

Air conditioners: Sales of air conditioners peaked in July with a 34.9% share of annual sales. A low of 0.1% was reported for December.

Dryers: October, September and November were the win, place and show months, respectively, for dryer sales.

Freezers: February to April were the low points for freezer sales. With 17% of annual sales posted, June was the big winner in the Midwest.

Microwave ovens: Excluding January and May, each with a better than 7% share of annual sales, microwave oven business was definitely a fourth-quarter event.

Ranges: Ranges, too, hit their sales stride in the final quarter of 1979. Sales were steady the remainder of the year from 5.8% to 7.5% with the exception of June when sales hit 10.6%.

Refrigerators: June and July tied as the best-selling months for refrigerators—each recording a 13.9% share of annual sales.

Washers: The year started out well for washers and a good pace was maintained. The peak month was September at 12.4% and the low February at 6%.

PRODUCT		THE MIDWEST Comprising the states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota & Wisconsin.											
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
B&W TELEVISION	1979	8.2	6.2	6.6	4.9	5.3	6.7	3.7	5.1	7.1	8.4	11.0	26.8
	1978	10.5	5.6	5.6	5.1	4.0	6.1	5.0	6.7	8.0	9.4	12.1	22.9
COLOR TELEVISION	1979	7.9	6.2	5.5	5.1	3.9	4.9	4.9	8.7	10.0	10.2	11.4	21.3
	1978	10.0	6.5	5.2	4.7	3.5	3.4	5.4	5.3	7.9	9.7	16.2	22.2
TOTAL TELEVISION	1979	8.0	6.2	6.0	5.0	4.6	5.7	4.4	7.0	8.6	9.4	11.2	23.9
	1978	10.2	6.0	5.4	4.9	3.8	4.8	5.2	5.5	8.0	9.6	14.1	22.5
AIR CONDITIONERS (ROOM)	1979	0.3	0.2	1.3	4.5	12.7	24.3	34.9	13.8	5.2	1.8	0.9	0.1
	1978	0.2	0.9	1.2	6.0	14.3	27.1	35.8	10.6	2.1	0.8	0.2	0.8
DISHWASHERS	1979	5.2	6.8	4.2	5.4	12.8	7.1	4.7	5.3	7.6	6.1	13.8	21.0
	1978	4.0	4.3	4.1	6.5	8.1	7.4	5.9	6.8	7.9	14.3	10.9	19.8
DRYERS	1979	10.6	7.3	7.8	6.9	6.3	5.6	5.3	6.1	11.8	12.8	11.3	8.2
	1978	7.7	9.5	5.8	7.0	6.7	6.3	7.0	7.4	9.7	10.7	11.6	10.6
FREEZERS	1979	7.0	3.7	2.8	3.8	9.2	17.0	15.0	12.4	8.9	6.3	8.2	5.7
	1978	4.6	5.6	7.8	5.9	6.1	9.4	9.3	13.1	8.7	11.6	10.4	7.5
MICROWAVE OVENS	1979	7.2	2.6	2.7	1.9	7.1	2.6	2.9	2.5	4.7	7.9	16.9	41.0
	1978	3.8	2.3	3.8	5.8	5.2	4.0	3.4	2.3	4.1	6.3	20.3	38.7
RANGES	1979	7.0	5.8	6.9	5.9	6.7	10.6	6.8	5.8	7.5	11.0	14.3	11.7
	1978	8.1	7.3	5.5	6.6	9.2	7.0	6.8	7.9	9.0	10.0	10.2	12.4
REFRIGERATORS	1979	5.4	4.8	6.4	6.0	9.4	13.9	13.9	13.2	7.2	6.1	7.0	6.7
	1978	8.4	7.6	4.4	5.4	12.2	9.4	11.4	9.9	5.8	10.0	8.3	7.2
WASHERS	1979	9.9	6.0	8.1	6.7	7.3	7.8	6.3	7.6	12.4	9.7	9.1	9.1
	1978	8.0	8.6	7.1	7.4	7.3	7.3	7.4	8.5	10.0	9.3	10.5	8.6

RETAIL SALES PATTERNS (continued)

Percentage of Annual Retail Sales, by Region/Month

The South

While television sales soared in November and December, sales of white goods were generally predictable here.

Television: Total television sales were pretty flat in the South for the first 11 months of 1979, then almost 25% of total annual sales were rung up in December.

Air conditioners: Here, too, most air conditioner sales were made in July; June took second place, May was third and August a close fourth.

Dryers: Dryer sales hit their stride in the fourth quarter, with November coming out on top with a 15.4% share.

Freezers: The monthly pattern for freezers held close to 1978 but business was steadier last year—neither the peaks nor valleys were as extreme as those noted a year earlier.

Microwave ovens: Through July microwave oven sales stayed under 5% each month. While a slight pick-up was noted in August, retail business didn't really take off for these items until November.

Refrigerators: June was the best month for refrigerator sales in the South last year. A year earlier they peaked in May.

Washers: November and December tied for the most washer sales in 1979, each registering a 12.2% share of the annual market. October followed with a 10.6% slice. In 1978, February registered the most washer sales in the South—12.4%.

PRODUCT		THE SOUTH Comprising the states of Alabama, Delaware, District of Columbia, Florida, Georgia, Kentucky, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Virginia & West Virginia.											
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
B&W TELEVISION	1979	5.9	4.3	4.8	5.1	5.6	8.8	4.1	6.2	6.7	9.3	13.0	26.2
	1978	6.4	5.2	3.6	5.9	8.1	6.3	9.2	6.8	6.8	10.0	11.4	20.3
COLOR TELEVISION	1979	7.2	4.8	5.4	6.0	5.3	5.2	5.0	6.9	7.9	10.0	14.2	22.1
	1978	7.5	3.4	3.5	5.1	5.5	5.8	6.0	6.2	7.5	13.4	11.9	24.2
TOTAL TELEVISION	1979	6.5	4.6	5.1	5.5	5.4	7.1	4.5	6.5	7.3	9.6	13.6	24.3
	1978	7.0	4.3	3.6	5.5	6.8	6.0	7.6	6.5	7.2	11.7	11.6	22.2
AIR CONDITIONERS (ROOM)	1979	0.6	0.6	0.6	4.2	15.8	20.1	38.5	14.8	2.5	1.1	0.6	0.6
	1978	–	–	1.2	2.6	12.5	24.5	33.7	17.5	6.4	0.6	0.8	0.2
DISHWASHERS	1979	4.4	4.1	7.6	6.0	7.0	7.8	10.3	8.0	9.6	9.2	9.5	16.5
	1978	4.7	3.2	6.6	7.0	7.0	4.8	3.1	6.6	11.9	10.1	16.6	18.4
DRYERS	1979	6.2	5.6	4.6	6.5	6.3	6.9	6.8	7.4	8.2	10.8	15.4	15.3
	1978	9.7	9.3	10.3	13.4	6.0	3.0	5.3	5.3	5.6	5.9	7.6	18.6
FREEZERS	1979	3.5	2.9	4.0	7.2	8.7	16.9	13.3	10.3	8.5	8.1	9.8	6.8
	1978	2.7	1.6	3.5	4.0	19.8	25.4	14.9	11.3	7.4	2.2	5.0	2.2
MICROWAVE OVENS	1979	4.8	4.3	2.4	4.3	4.6	3.5	2.4	6.8	7.1	6.1	13.8	39.9
	1978	11.2	2.7	2.9	3.2	3.3	2.7	2.9	2.0	3.1	9.1	16.0	40.9
RANGES	1979	4.6	4.1	5.7	8.9	6.7	7.6	5.4	6.9	11.0	14.3	12.0	12.8
	1978	6.8	4.7	6.7	11.9	8.7	8.4	8.6	7.0	11.4	8.3	9.4	8.1
REFRIGERATORS	1979	3.9	3.6	6.0	8.2	10.7	13.2	10.1	11.1	9.8	7.2	8.0	8.2
	1978	4.0	4.8	5.4	10.8	14.5	11.3	9.4	10.9	11.9	7.3	5.4	4.3
WASHERS	1979	6.3	5.4	5.3	6.9	7.6	9.8	7.3	8.6	7.8	10.6	12.2	12.2
	1978	9.2	12.4	8.0	8.9	6.9	6.6	4.8	5.5	7.1	10.7	8.7	11.2

The Southwest

Except for months beginning with "A"—April and August—every one registered a win, place and/or show last year for tv/appliance dealers in the Southwest.

Television: While color television sales were definitely a fourth-quarter affair, building to a December crescendo, b/w set sales peaked in November, with December and September ranking second and third.

Air conditioners: In January and February and for the entire fourth quarter, air conditioners didn't sell here. June and July shared top honors each with a 30% share of total annual sales.

Dryers: February was number three for most dryer sales in the Southwest in 1979. The lowest levels—but still 5% or better—were reached from May through September.

Freezers: Freezer sales peaked in May at 21.7%. While June followed with a 16.7% share, in third place was September, chalking up 13.3% of the annual sales total.

Microwave ovens: While December registered most of the microwave oven sales in the area—44%—and September followed way behind at 16.7%. May took third place with a 13.3% share.

Ranges: Sales of ranges peaked in January—quite a shift from 1978.

Refrigerators: The largest number of refrigerator sales were posted for July; September was number two and December in the third spot.

Washers: Most washer sales were recorded in January.

PRODUCT		THE SOUTHWEST Comprising the states of Arizona, Arkansas, Louisiana, New Mexico, Oklahoma & Texas.											
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
B&W TELEVISION	1979	5.2	5.8	5.2	3.8	4.6	4.0	3.2	5.2	8.2	7.4	28.2	19.2
	1978	4.8	3.6	3.8	5.8	5.6	4.9	6.4	7.9	4.5	8.0	21.8	22.8
COLOR TELEVISION	1979	8.2	6.4	5.4	5.8	6.2	4.8	4.4	7.0	7.8	12.2	12.8	19.0
	1978	8.0	5.6	4.4	5.3	6.7	5.3	7.1	7.3	11.0	7.1	14.1	18.1
TOTAL TELEVISION	1979	6.7	6.1	5.3	4.8	5.4	4.4	3.8	6.1	8.0	9.8	20.5	19.1
	1978	6.4	4.6	4.1	5.6	6.2	5.1	6.8	7.6	7.8	7.6	17.9	20.3
AIR CONDITIONERS (ROOM)	1979	0.0	0.0	0.7	9.3	18.4	30.0	30.0	8.3	3.3	0.0	0.0	0.0
	1978	–	0.7	0.7	3.0	15.2	30.9	30.2	15.0	3.0	0.7	0.3	0.3
DISHWASHERS	1979	8.5	8.0	7.5	5.5	5.0	3.5	8.0	3.5	11.0	8.0	11.5	20.0
	1978	5.0	4.2	5.5	4.3	9.2	13.8	15.2	11.8	9.0	4.5	6.0	11.5
DRYERS	1979	9.7	10.7	7.7	8.0	5.0	6.0	5.6	5.3	6.7	9.3	12.7	13.3
	1978	11.2	8.8	6.8	3.2	4.8	6.6	7.8	11.4	7.0	11.6	8.6	12.2
FREEZERS	1979	1.7	1.7	2.6	4.0	21.7	16.7	11.7	11.7	13.3	9.3	2.3	3.3
	1978	5.3	5.8	2.7	9.0	9.0	12.2	11.5	1.5	5.3	28.7	5.0	4.0
MICROWAVE OVENS	1979	5.7	1.0	0.6	3.7	13.3	0.6	1.0	4.7	3.0	5.7	16.7	44.0
	1978	9.0	3.4	4.2	2.2	14.6	4.6	2.4	4.4	3.4	4.4	17.8	29.6
RANGES	1979	12.0	9.5	8.5	4.5	4.5	7.5	6.0	7.5	8.5	10.0	11.0	10.5
	1978	4.7	5.5	3.5	3.5	8.2	3.1	16.7	5.5	10.5	3.1	16.2	19.5
REFRIGERATORS	1979	5.8	5.2	5.5	6.5	7.5	9.2	15.8	9.5	11.5	7.5	6.0	10.0
	1978	2.7	3.5	3.3	4.5	7.8	15.3	19.2	16.2	6.5	3.8	6.2	11.0
WASHERS	1979	12.3	6.5	10.0	8.3	6.5	7.5	8.5	6.7	6.7	9.0	8.3	9.7
	1978	9.8	7.9	7.8	5.1	6.6	7.8	8.0	10.0	7.2	9.5	9.6	10.7

RETAIL SALES PATTERNS (continued)

Percentage of Annual Retail Sales, by Region/Month

Far West

Second-half business was head and shoulders ahead of the first half in the Far West on all counts.

Television: Following the pattern set in most other parts of the country, color tv sales were highest in the fourth quarter. September was the third best month for b/w set sales.

Air conditioners: Sales for room air conditioners peaked in August and were not statistically significant in either November or December—a slight shift from 1978 when January started off at ground zero.

Dishwashers: November proved to be the strongest month for dishwasher sales in 1979. December followed with almost a 13% share and the rest of the year showed steady business—running from about 6% to 8%.

Dryers: Dryers started off the year with a healthy 12.7%—the second best figure—share of total annual sales.

Freezers: August was the high point for freezer sales in the Far West. July and August had the next largest shares.

Ranges: Sales of ranges peaked in November 6.6% above 1978's high, with the show spot shifting from September to April and place from July to September.

Refrigerators: The bulk of refrigerator sales were recorded in the third quarter. The low for the year went to February.

Washers: September, October and November, placed one, two and three for best-selling washer months. January tied with October in second place. •

PRODUCTS		THE FAR WEST Comprising the states of Alaska, California, Colorado, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington & Wyoming.											
		JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
B&W TELEVISION	1979	7.6	6.4	5.1	6.4	7.0	7.7	6.8	5.9	8.4	6.0	13.9	18.8
	1978	5.0	3.7	4.3	5.5	4.3	2.7	3.2	5.7	15.5	9.7	12.5	27.9
COLOR TELEVISION	1979	9.7	7.1	5.7	3.9	4.2	5.3	5.6	8.3	8.9	10.7	13.2	17.4
	1978	6.7	5.1	3.4	5.3	5.0	6.1	4.1	8.3	12.7	11.6	12.4	19.3
TOTAL TELEVISION	1979	8.6	6.8	5.4	5.2	5.6	6.5	6.2	7.1	8.7	8.3	13.5	18.1
	1978	5.8	4.5	3.9	5.4	4.6	4.4	3.7	7.0	14.1	10.6	12.4	23.6
AIR CONDITIONERS (ROOM)	1979	1.6	1.2	2.2	7.0	11.8	14.4	23.0	29.0	8.6	1.2	0.0	0.0
	1978	–	1.2	2.2	1.8	6.2	21.2	38.5	21.8	1.8	1.8	2.0	1.5
DISHWASHERS	1979	6.2	5.6	8.8	7.6	5.4	6.2	8.2	8.2	6.0	8.6	16.4	12.8
	1978	4.5	7.8	3.8	3.8	10.5	9.0	6.0	9.0	8.7	9.7	9.7	17.5
DRYERS	1979	12.7	10.5	7.0	4.3	6.5	3.5	3.5	9.0	8.0	13.3	12.2	9.5
	1978	6.8	6.8	4.0	4.2	4.5	5.8	8.2	6.5	13.2	16.0	13.2	10.8
FREEZERS	1979	0.7	4.7	4.0	5.0	8.7	3.3	15.3	18.7	14.7	6.3	9.6	9.0
	1978	4.0	3.8	4.0	7.5	18.2	5.2	13.8	9.5	25.0	3.8	3.0	2.2
MICROWAVE OVENS	1979	4.0	4.0	3.4	3.1	7.6	6.0	6.6	4.3	4.8	7.6	17.9	30.7
	1978	3.7	3.2	2.8	3.3	3.7	7.0	13.5	9.2	5.8	6.5	11.8	29.5
RANGES	1979	6.4	7.1	5.2	10.4	8.6	6.1	7.4	6.8	7.2	9.0	17.8	8.0
	1978	6.3	7.3	6.0	7.7	8.0	7.3	8.0	8.0	10.0	7.7	11.7	12.0
REFRIGERATORS	1979	5.0	3.6	9.0	6.0	8.6	8.6	12.0	17.6	12.2	6.8	5.2	5.4
	1978	3.5	4.8	5.8	7.5	7.0	9.8	10.8	16.1	15.2	7.8	7.2	4.5
WASHERS	1979	12.0	7.4	7.2	6.0	5.8	5.4	5.8	7.0	12.4	12.0	11.0	8.0
	1978	7.6	7.2	6.8	6.3	6.6	7.8	7.8	7.4	10.4	12.0	10.7	9.4

MARKET PROFILES: Analysis:

Among the many measurements of economic activity nationally, regionally and state by state, *Merchandising* lists four—number of electrified homes, number of farm homes, housing starts and personal income—as indicators of sales potentials for hard goods merchants across the country. Of these, the first, second and fourth criteria are usually considered the most important for retailers.

As the chart on the following page shows, for the United States as a whole the number of residential/rural customers with wired homes increased in 1979 by 2.0%, housing starts dropped 5.4%, and personal income rose 12.5%.

Against this overall picture, the Sunbelt phenomenon again surpassed the national averages. Regionally, the South Atlantic and the West South Central registered the best results with increases in the number of wired homes, housing starts and personal income. The Mountain and Pacific regions bettered national averages in wired homes and personal income, while dropping behind them in housing starts.

Wired homes ahead

The number of electrified homes showed increases last year in all 50 states and the District of Columbia. Gains ranged from 0.6% in West Virginia to a high of 7.4% for Nevada. Leading states topping the national average in number of wired homes included Arizona, up 6.7%; Hawaii and Florida, up 4.8%; Utah, up 4.1%, Colorado, up 3.8%; and Washington, up 3.5%.

Housing starts

Despite the generally bleak picture presented by the downturn in housing starts, there were some bright spots. Biggest declines were reported for Alaska (minus 38.8%) and Montana (minus 35.5%). However, gainers included Hawaii, the leader, up 39.1%; followed by West Virginia, up 23.4%; Georgia, up 23.7%; Florida, up 22.2%; and Wyoming, up 21.9%.

Other states registering pluses rather than minuses in housing starts were Arkansas, New Jersey, New Mexico, North Carolina, South Carolina, South Dakota and Texas.

Personal income

Taking into account the double-digit inflation which hit many parts of the country last year, the all-important personal income figures showed their best gains regionally in the Mountain States (plus 17.5%), the Pacific (plus 14.3%), West South Central (plus 14.1%) and the South Atlantic (plus 13.2%). The other five regions scored increases but below the national average.

Twenty-four states and the District of Columbia recorded gains above the national average. Leaders in this group were Montana, up 21.7%; Arizona, up 20.5%; Kansas, up 18.3%; Washington, up 18.2%; Colorado, up 17.9%; New Mexico, up 16.3%; Nevada, up 16.1%; Utah, up 16.0%; and Florida and Nebraska, tied with a 15.2% gain.

Whether it's the increase in affluent consumers as demonstrated by the gains in personal income, or the potentials presented by upturns in housing starts and/or residential customers—these are the harbingers of better business for the retailer who positions himself in his market properly. Even the decrease in housing starts may spell greater opportunities for replacement sales, as long as would-be customers have the income.

In any event, a careful and thoughtful reading of the chart on the next page, can be worthwhile for the retailer who seeks to better his business this year. •

MARKET PROFILES

Sales Potential by Geographical Region

REGIONS	RESIDENTIAL AND RURAL-CUSTOMERS (Projected From 10 Mos.)		FARM-RESIDENTIAL CUSTOMERS (1)		AUTHORIZED HOUSING STARTS[2] (Projected From 10 Mos.)		PERSONAL INCOME 10 MONTHS 1979 (3) (IN MILLIONS OF DOLLARS)	
	NUMBER	% CHANGE (1979/1978)	NUMBER	% CHANGE (1979/1978)	NUMBER	% CHANGE (1979/1978)	NUMBER	% CHANGE (1979/1978)
NEW ENGLAND:								
TOTAL	**4,387,139**	+ 1.2	**25,260**	– 6.6	**53,139**	– 5.1	**91,194**	+11.9
CONNECTICUT	1,108,178	+ 1.3	3,550	–10.1	14,178	– 4.6	25,939	+12.2
MAINE	459,998	+ 0.9	7,500	N.C.	3,998	–18.0	6,417	+11.9
MASSACHUSETTS	1,937,721	+ 1.0	4,750	– 9.5	19,721	– 2.9	43,613	+11.6
NEW HAMPSHIRE	353,961	+ 2.0	2,950	– 0.8	6,961	– 1.7	5,779	+11.4
RHODE ISLAND	327,012	+ 1.6	660	– 9.6	5,012	– 8.5	6,451	+12.0
VERMONT	200,269	+ 1.7	5,850	–12.0	3,269	– 2.4	2,995	+14.8
MIDDLE ATLANTIC:								
TOTAL	**12,295,331**	+ 1.0	**110,450**	–18.8	**119,331**	– 4.0	**283,396**	+11.5
NEW JERSEY	2,503,770	+ 1.5	7,500	– 8.5	36,770	+ 7.6	59,215	+10.4
NEW YORK	5,647,916	+ 0.7	44,550	–21.1	39,916	– 3.3	138,518	+11.8
PENNSYLVANIA	4,143,645	+ 1.0	58,400	–18.1	42,645	–12.7	85,663	+11.7
SOUTH ATLANTIC:								
TOTAL	**13,135,694**	+ 2.9	**316,900**	–14.6	**366,694**	+11.9	**232,550**	+13.2
DELAWARE	212,775	+ 1.3	2,950	–14.5	2,775	–12.7	4,664	+13.6
DISTRICT OF COLUMBIA	165,698	+ 1.0	–	–	1,698	–20.6	6,234	+14.6
FLORIDA	3,903,052	+ 4.8	34,650	– 9.1	180,052	+22.2	59,766	+15.2
GEORGIA	1,912,761	+ 2.3	53,450	–21.7	42,761	+23.7	31,473	+12.5
MARYLAND	1,325,041	+ 2.0	15,850	– 8.1	26,041	– 8.1	31,043	+ 9.3
NORTH CAROLINA	2,100,351	+ 1.9	98,000	–13.9	39,351	+ 10.2	34,696	+14.7
SOUTH CAROLINA	1,068,733	+ 2.4	34,450	–22.2	24,733	+ 12.2	16,698	+12.1
VIRGINIA	1,760,156	+ 2.6	58,400	– 3.2	45,156	–11.5	36,565	+12.5
WEST VIRGINIA	687,127	+ 0.6	19,150	–25.1	4,127	+ 23.4	11,411	+13.0
EAST NORTH CENTRAL:								
TOTAL	**14,910,068**	+ 1.4	**446,000**	– 8.2	**201,068**	–19.6	**302,104**	+10.2
ILLINOIS	4,024,520	+ 1.1	105,950	– 8.6	45,520	–33.2	87,605	+10.9
INDIANA	1,957,133	+ 1.6	88,100	– 6.3	30,133	–10.7	37,562	+11.0
MICHIGAN	3,344,979	+ 1.5	62,350	–12.6	49,979	–13.1	67,278	+ 7.6
OHIO	3,838,645	+ 1.3	95,550	–10.2	48,645	–15.5	76,684	+10.9
WISCONSIN	1,744,791	+ 1.6	94,050	– 4.0	26,791	–19.5	32,975	+11.0
EAST SOUTH CENTRAL:								
TOTAL	**5,180,402**	+ 1.2	**295,900**	–21.5	**63,402**	–11.6	**81,029**	+11.8
ALABAMA	1,420,656	+ 1.3	55,450	–26.3	18,656	–10.3	21,932	+12.9
KENTUCKY	1,265,559	+ 1.1	95,050	–18.0	13,559	–12.9	21,530	+10.8
MISSISSIPPI	852,846	+ 1.1	52,350	–32.1	8,846	– 4.4	12,215	+11.5
TENNESSEE	1,641,341	+ 1.4	93,050	–14.6	22,341	–14.5	25,352	+10.5
WEST SOUTH CENTRAL:								
TOTAL	**7,981,301**	+ 2.5	**318,950**	–17.3	**196,301**	+ 7.2	**148,252**	+14.1
ARKANSAS	842,358	+ 1.1	57,350	–14.7	9,358	+ 2.5	12,209	+11.2
LOUISIANA	1,426,428	+ 1.5	34,650	–18.6	21,428	– 7.5	24,170	+13.6
OKLAHOMA	1,155,894	+ 1.7	72,100	–14.2	18,894	– 8.8	18,835	+13.9
TEXAS	4,556,621	+ 3.3	154,850	–19.3	146,621	+ 12.7	93,038	+14.7
WEST NORTH CENTRAL:								
TOTAL	**6,385,928**	+ 1.5	**553,950**	– 7.1	**93,928**	–18.6	**118,866**	+11.9
IOWA	1,093,036	+ 1.2	119,800	– 5.5	13,036	–18.5	20,982	+14.0
KANSAS	894,896	+ 1.5	71,000	– 5.3	12,896	–13.7	17,984	+18.3
MINNESOTA	1,464,524	+ 2.1	102,950	– 8.8	29,524	–17.9	28,070	+ 7.8
MISSOURI	1,850,328	+ 1.1	116,700	–11.3	20,328	–25.4	32,389	+10.6
NEBRASKA	585,272	+ 1.6	62,300	– 7.4	9,272	–18.1	11,019	+15.2
NORTH DAKOTA	238,675	+ 2.0	40,300	– 1.2	4,675	–19.6	4,313	+13.9
SOUTH DAKOTA	259,197	+ 1.7	40,900	– 3.2	4,197	+ 4.0	4,109	+ 4.0
MOUNTAIN: TOTAL	**3,931,174**	+ 4.3	**106,400**	– 9.8	**163,174**	– 8.3	**72,460**	+17.5
ARIZONA	902,767	+ 6.7	5,000	–12.3	56,767	– 6.1	16,513	+20.5
COLORADO	1,070,347	+ 3.8	26,100	– 8.6	39,347	– 7.7	20,628	+17.9
IDAHO	345,408	+ 2.5	23,050	–13.5	8,408	– 3.2	5,455	+11.2
MONTANA	302,132	+ 1.1	21,250	– 5.4	3,132	–35.5	5,457	+21.7
NEVADA	287,907	+ 7.4	1,800	– 5.3	19,907	–16.8	5,535	+16.1
NEW MEXICO	413,136	+ 3.3	10,100	–12.6	13,136	+ 2.0	7,697	+16.3
UTAH	438,072	+ 4.1	12,000	– 9.1	17,072	–15.2	7,957	+16.0
WYOMING	171,405	+ 3.3	7,100	–10.1	5,405	+21.9	3,218	+13.3
PACIFIC: TOTAL	**11,191,532**	+ 2.9	**125,390**	–15.3	**311,532**	–11.6	**241,038**	+14.3
ALASKA	121,921	+ 2.5	290	– 3.3	2,921	–38.8	3,631	– 1.7
CALIFORNIA	8,292,559	+ 2.7	59,400	–20.0	214,559	–11.3	181,527	+14.1
HAWAII	255,756	+ 4.8	3,350	– 9.5	11,756	+39.1	7,135	+13.4
OREGON	997,167	+ 3.1	29,700	–11.7	30,167	–19.9	17,849	+13.8
WASHINGTON	1,524,129	+ 3.5	32,650	– 9.7	52,129	–12.4	30,896	+18.2
THE NATION	**79,398,569**	**+2.0**	**2,299,200**	**–13.1**	**1,568,569**	**– 5.4**	**1,570,889**	**+12.5**

SOURCES: (1)U.S. Dept. of Agriculture; [2]U.S. Dept. of Commerce; (3)Business Week

RETAIL REPLACEMENT SALES SURVEY

New Owners vs. Replacement Purchasers: Average Selling Price

Analysis:

Replacement sales were down for the most part last year, according to a random sampling of the nation's retailers. Declines ranged from two points (to 39%) in room air conditioners to a whopping 46 points (to 28%) in console stereo.

Laundry products (washers and dryers), microwave ovens, built-in and smoothtop electric ranges, and both built-in and free-standing gas ranges were the exceptions. The upturn in built-in appliance replacement sales, at least, may be explained by the increasing consumer decision to improve existing homes rather than facing the new home market with its growing shortage of mortgages even at sharply higher interest rates.

In overall terms, regardless of changes from 1978, replacement activity in 1979 was highest in built-in gas ranges (78%) and free-standing gas ranges (77%), followed by clothes washers (76%). Leader among the home electronics products was color television with 68%.

Average prices increase

Average retail prices were up generally (to no one's surprise), reflecting the pervasive impact of inflation, as well as continuing consumer preference for the more fully-featured, higher-end models. The average tag of component hifi systems, however, was one of the few exceptions, down by $66, an indication of the more intense price promotional effort caused by the softness of hifi business.

Results of this year's survey on replacement business by type of outlet were inconclusive and the statistical breakdown is not being published. •

1979 ALL RETAIL OUTLETS

PRODUCTS SOLD:	TYPE OF SALE		AVERAGE PRICE
AUDIO/VIDEO:	% REPLACED	% NEW	
B&W TV	53	47	123
COLOR TV	68	32	552
COMPACT STEREO	26	74	264
COMPONENT HIFI	34	66	411
CONSOLE STEREO	28	72	365
MAJOR APPLIANCES:			
AIR CONDITIONERS, ROOM	39	61	336
DISHWASHERS	54	46	355
DISPOSERS, FOOD WASTE	56	44	100
DRYERS	68	32	269
FREEZERS	45	55	364
MICROWAVE OVENS	12	88	451
RANGES, ELECTRIC TOTAL	60	40	463
BUILT-IN	42	58	397
FREE STANDING	68	32	419
SMOOTHTOP	55	45	632
RANGES, GAS TOTAL	77	23	373
BUILT-IN	78	22	342
FREE STANDING	77	23	385
REFRIGERATORS	74	26	513
TRASH COMPACTORS	3	97	316
WASHERS	76	24	350

Product-by-Product Index

A

Air Cleaners, Electronic 22, 23, 26, 27
Air Conditioners, Room 22, 23, 26, 27, 56, 60, 61, 62, 67, 68, 70
Amplifiers 48, 49, 57
Antennas, CB, Radio & TV 57
Autosound 48, 49, 52

B

Bag Sealers 34, 35, 38, 60, 61
Bakeware 32, 33
Barbecue Grills 32, 33, 36
Bathroom Scales 40
Bed Coverings, Electric 32, 33, 38, 60, 61
Blenders 34, 35, 38, 56, 58, 60, 61
Broilers 34, 35, 38, 40
Buffet Ranges 34, 35, 38, 60, 61

C

Calculators 48, 49, 57, 60, 61
Canister Sets 41
Can Openers 34, 35, 38, 56, 58, 60, 61
Carpet Sweepers 34, 35
Cartridges (Styli) 48, 49
Cassette Radio Combos 52
Cassette Recorders 48, 49, 52, 56, 57
Citizens Band Radios 48, 49, 54, 57
Clocks 32, 33, 36, 40, 56
Coffee Grinders 40
Coffeemakers 34, 35, 38, 56, 58, 60, 61
Compact Appliances 22, 23
Compactors, Trash 22, 23, 26, 60, 61, 70
Components, Hifi 48, 49, 52, 70
Computers, Personal 54
Cookware 32, 33, 40
Cornpoppers 34, 35, 38, 40, 60, 61
Crepe Pans 34, 35, 38
Curling Brushes 40
Curling Irons 32, 33, 38, 40, 60, 61

D

Deep Fryers 40
Dehumidifiers 22, 23, 26
Digital Clock Radios 53
Dish Drainers 22, 23, 41
Dishwashers 22, 23, 26, 56, 60, 61, 62, 67, 68, 70
Disposers, Food Waste 23, 26, 60, 61, 70
Donut Makers 40
Dryers, Clothes 22, 23, 26, 56, 60, 61, 62, 67, 68, 70

E

Egg Cookers 34, 35, 38
Eight-track Players/Recorders 48, 49

F

Facial Saunas 32, 33, 38
Fans 34, 35, 56
Fire Extinguishers 32, 33
Floor Polishers 34, 35
Fondues, Electric 34, 35, 38, 60, 61
Food Processors 34, 35, 38, 60, 61
Food Slicers 34, 35, 38
Freezers 22, 23, 26, 27, 56, 58, 60, 61, 62, 67, 68, 70
Frypans 34, 35, 38, 60, 61

G

Games, Non-Video 54
Griddles 34, 35, 38
Grills 34, 35, 38

H

Hair Dryers 32, 33, 38, 58, 60, 61
Hair Setters 32, 33, 38, 40, 60, 61
Handtools, Portable Electric 56
Headphones 48, 49, 57
Heaters, Portable 34, 35
Heating Pads 32, 33, 38
Home Security Systems 32, 33
Hot Lather Dispensers 32, 33, 38
Hotplates 34, 35, 38, 60, 61
Humidifiers 34, 35

I

Ice Buckets 41
Ice Cream Makers 34, 35, 38, 60, 61
Ice Crushers 34, 35, 38
Intrusion Systems 32, 33
Irons 34, 35, 38, 40, 56, 58, 60, 61

J

Juicers 56, 58

K

Knife Sharpeners 56, 58
Knives, Electric Slicing 34, 35, 38, 60, 61

L

Lawn Mowers 32, 33
Line Grass Trimmers 36

M

Massagers, Hand-held 32, 33, 38, 60, 61
Massagers, Shower 32, 33, 38, 60, 61
Microcassette Recorders 52
Microphones 57
Microwave Cookware 41
Microwave Ovens 22, 23, 26, 27, 56, 58, 60, 61, 62, 67, 68, 70
Mini Fryers 40
Mirrors, Make-up 32, 33, 38
Mixers, Food 34, 35, 38, 56, 60, 61
Mowers 32, 33
Multiband Radios 53, 57

N

Nail Care Devices 40

O

Omelette Pans 40
Oral Hygiene Devices 32, 33

P

Plastic Organizers 41
Pre-Amplifiers 48, 49
Pressure Cookers 41
Projection TV 48, 49, 52

Q

Quadmode 52
Quick Grills 34, 35, 38

R

Radar Detectors 54
Radios 48, 49, 52, 53, 56, 57, 60, 61
Ranges 22, 23, 26, 56, 60, 61, 62, 67, 68, 70
Receivers 48, 49
Refrigerators 22, 23, 26, 27, 56, 58, 60, 61, 62, 67, 68, 70

S

Sandwich Grills 34, 35, 38
Scanner Radios 53
Shavers 32, 33, 38, 56, 58
Skillets 34, 35, 38, 60, 61
Skin Cleaners, Face & Body 40
Slow Cookers 34, 35, 38, 60, 61
Smoke Detectors 32, 33
Smoothtop Ranges 22, 23, 26, 27, 60, 61, 70
Snow Throwers 32, 33
Soap Dishes 41
Speakers 48, 49, 57
Speakers, Car 52
Stereo, Compact 48, 49, 52, 70
Stereo Console 48, 49, 70
Styling Wands 32, 33, 38, 40

T

Tape, Blank 48, 49, 52
Tape Decks 48, 49, 52
Tape Players/Recorders 48, 49, 52, 56, 57
Telephone Answering Devices 48, 49
Telephones 54
Television 48, 49, 52, 53, 56, 57, 60, 61, 62, 67, 68, 70
TV Games 48, 49, 52, 53
TV Picture Tubes 57
Toasters 34, 35, 38, 56, 58, 60, 61
Toaster/Ovens 34, 35, 40, 60, 61
Toothbrushes, Electric 32, 33, 38
Tuners 48, 49
Turntables 48, 49, 57

V

Vacuum Cleaners 34, 35, 36, 56, 58, 60, 61
Vaporizers 34, 35
Video Cameras 53, 57
Videocassettes Recorders 48, 49, 52, 53, 56, 57
Videotape 53

W

Waffle Irons 34, 35, 38
Washers 22, 23, 26, 56, 60, 61, 67, 68, 70
Wastebaskets 41
Watches, Digital 48, 49, 54, 60, 61
Water Pulsators 32, 33, 38, 60, 61
Weatherband Radios 53
Woks, Electric 34, 35, 38

Y

Yogurt Makers 40

Prerecorded Videocassette

Merchandising's TOP 50

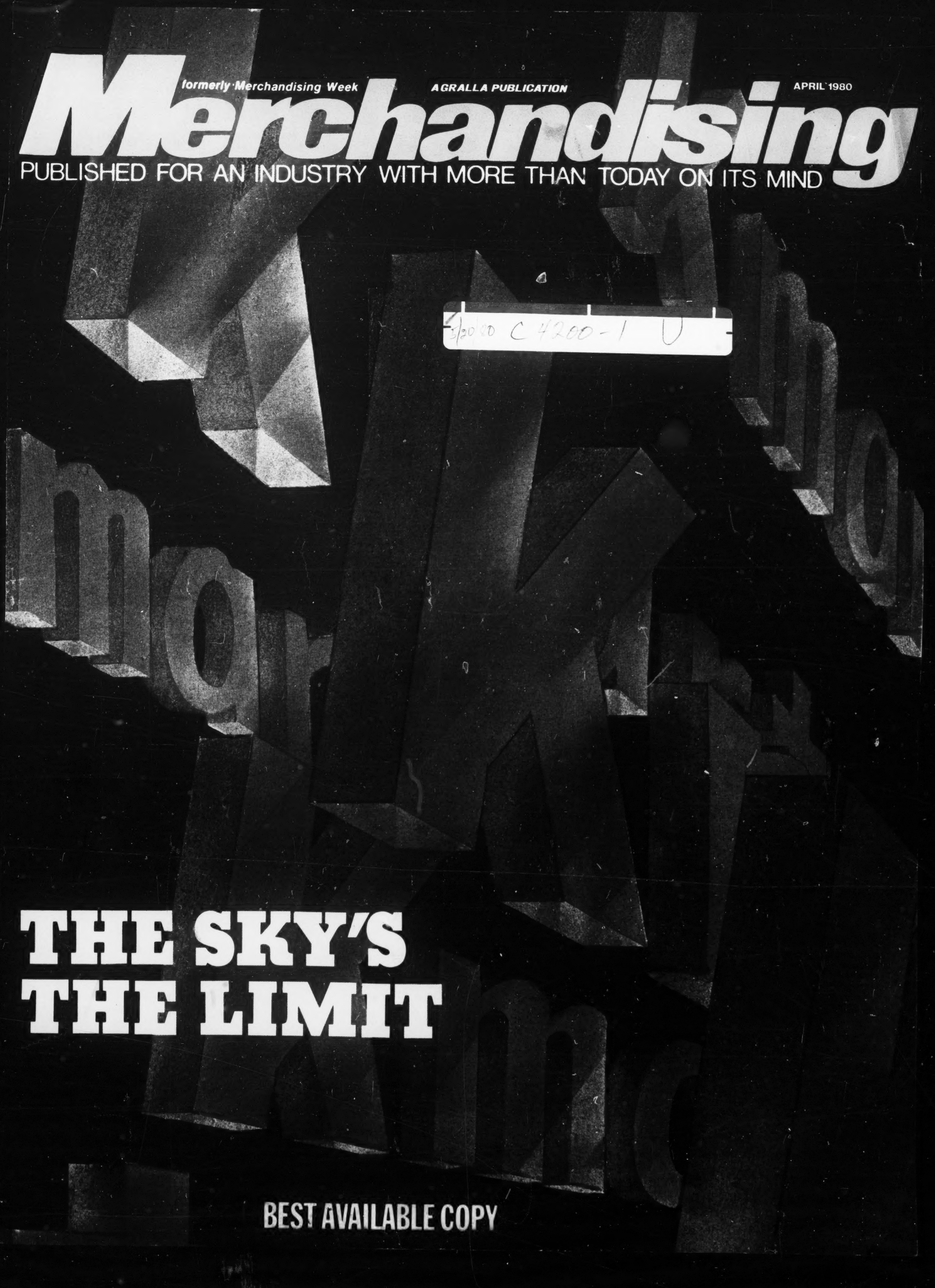
	Last month's position	Months on chart
1. The Godfather	1	8
2. Saturday Night Fever	3	8
3. M*A*S*H	4	17
4. The Godfather II	2	5
5. Superman (new)	N	1
6. The Sound of Music	5	12
7. Patton	6	17
8. Butch Cassidy & the Sundance Kid	7	5
9. French Connection	19	17
10. Death Wish	14	2
11. Chinatown	12	2
12. The Graduate	13	14
13. Marathon Man	16	4
14. Murder on the Orient Express	17	5
15. Barbarella	25	5
16. Harold and Maude	N	1
17. Pretty Baby	23	2
18. The Lion in Winter	32	12
19. The Deep	N	1
20. The Longest Day	34	17
21. The Longest Yard	8	2
22. Carnal Knowledge	20	14
23. The Adventures of Sherlock Holmes' Smarter Brother	26	3
24. Looking for Mr. Goodbar	9	5
25. The King & I	35	17
26. The African Queen	11	8
27. Tora! Tora! Tora!	24	17
28. Hello Dolly	27	17
29. Night of the Living Dead	36	9
30. Wild Geese	21	13
31. King Kong (new)	15	3
32. The Man Who Would Be King	N	15
33. Nashville	22	3
34. A Touch of Class	28	8
35. Papillon	29	15
36. Citizen Kane	10	15
37. King Kong (old)	30	14
38. Love Story	40	4
39. Bruce Lee—Super Dragon	42	15
40. The Shootist	31	2
41. Paper Chase	45	15
42. In Praise of Older Women	39	3
43. Mighty Mouse	33	14
44. The Sailor Who Fell From Grace With the Sea	44	12
45. Those Magnificent Men in Their Flying Machines	N	14
46. Tunnel Vision	18	9
47. A Man and a Woman	46	13
48. Fantastic Voyage	N	16
49. Fantastic Animation Festival	47	5
50. Flash Gordon Conquers the Universe	N	5

formerly Merchandising Week
A GRALLA PUBLICATION
APRIL 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

3/20/80 C 4200-1 U



THE SKY'S THE LIMIT

BEST AVAILABLE COPY

Formerly Merchandising Week

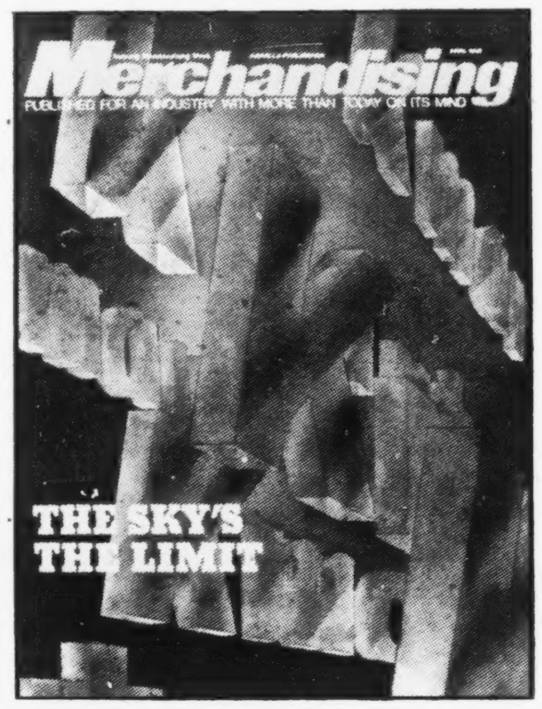
Merchandising

FOR OVER 60,000 READERS
51,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

April 1980

K mart: The sky's the Limit



K mart is just about everywhere and just about every retailer of white and brown goods and housewares is keenly aware of the country's No. 2 chain. But oddly enough, the feeling of fear that Sears used to evoke seems to be strangely missing. That K mart is highly respected is undeniable, and many have found the means to co-exist comfortably.

Story by Fred Gottesman, with contributions from Ron Schneiderman, Jack Blood and Lois A. Panosh, as well as reports from 10 *Merchandising* correspondents in the field.

19

Prerecorded Videocassette Report

The previd market is getting a big boost from new entrants and expanded distribution. Walt Disney Productions and Fotomat made big news at ITA with their non-exclusive rental agreement. Columbia Pictures Home Entertainment will shortly begin distributing videodiscs; Magnetic Video expects to do the same by the end of this year, and S/T Videocassette Duplicating Corp. is about to test two videocassette rental concepts.

31

Store Operations

When it comes to energy conservation the small retailer is caught in a bind. Most are anxious to abide by the Presidential guidelines and reduce their energy bills wherever possible. But they complain there isn't much they can do, other than lowering thermostat settings in winter, and raising them in summer.

Costs to implement sophisticated energy-saving devices or programs are frequently beyond the small retailers' means. What to do? Try an "energy cruncher."

36

Trendings

•High-powered promotions—until fairly recently confined almost exclusively to the competitive electric housewares market—are blossoming in the non-electrics arena this spring. . . . •Spring catalogs are expected to generate strong electric housewares traffic this month. . . . •When it comes to personal electronics, the more features, the better. . . . •Sales of video entertainment products—especially color tv—have been holding up very well. . . . •People are buying smaller cars and smaller car speakers, but not fewer speakers. . . . •The bigger the ticket, the better the appliance sale.

6

Happenings

• The housewares marketplace of the '80s will be significantly different than that of the past 20 years," says E.M. "Bill" Davis, president of West Bend Co....48
• A marshalling of their resources by major appliance makers to capitalize on a strong home remodernization market has become increasingly evident 46
• RCA moved to strengthen its position and the capacitance videodisc format in general when it recently signed a technology agreement with Zenith Radio.......54
• To increase production capacity for its clear and tinted Pyrex ovenware, Corning Glass Works has begun a $13 million expansion program 50

From the Capital

The long-expected indictment handed down at the end of February charging Sears, Roebuck with illegally concealing kickbacks from its Japanese television suppliers is probably just the beginning of a flood of such charges. Grand juries in Los Angeles and Norfolk, VA, are looking into similar charges against Montgomery Ward, J.C. Penney and other major chains.

4

Product Picture

Electronics..39, 40
Major Appliances..42-43
Housewares...44-45

Coming in May

★ *Merchandising's 6th Annual Statistical & Marketing Forecast*
★ *Gourmet Market—Profits & Pleasure*

A GRALLA PUBLICATION
VOL. 5 NO. 4 APRIL 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)

Editor..................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Assistant Editor............Joyce Jarcho
Field Editors..............Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate........Fern Milman
Art Direction..................Sam Kweskin

CORRESPONDENTS:

Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm. **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES

Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
..........................Susan Benvenuto
Assistant Production Manager
......................................Vicki Lauro
Circulation Director....James Fischer
Circulation Manager...........Lisa Hoff

Direct Mail Manager...Barbara Nastro
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS

Bank Systems & Equipment • Catalog Showroom Business • Contract • Giftware Business • Health Care Product News • Kitchen Business • Meeting News • Multi-Housing News • National Jeweler • Premium/Incentive Business • Professional Furniture Merchant • Sporting Goods Business • Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to FULFILLMENT MANAGER, MERCHANDISING, P.O. BOX 2157, Radnor, PA. 19089.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Prerecorded Videocassette Report

Videotape, disc can co-exist for short term: Time study

SAN DIEGO—For the short term, the markets for VCRs and videodiscs can and will co-exist, at least among upscale or high-income consumers.

That information comes out of a recent study done by *Time* magazine.

"In fact," says Fred Richards, international marketing director of Time-Life Video, "it's the same market because we've seen that buyers of both pieces of equipment have the same demographic profile. What's more, that profile hasn't changed in the past year.

"Further, they have the same number of color tv sets, purchase the same quantity of software and have the same viewing habits," Richards added.

Demo before purchase

Among the findings of the study, conducted in January through a questionnaire sent to 400 Quasar and 400 Magnavox purchasers (who weren't mentioned in the mail piece), four out of five VCR owners saw a demonstration of the equipment before they bought it. Most frequently, they saw a VCR in a retail store or in the home of a friend or relative. A similar proportion saw the disc player operate before they bought it. However, because the disc player is a newer piece of equipment, more people saw it demonstrated at the retail level; few first saw it at someone's home.

"We found that 17% of our sample already owns both formats," Richards said. "But we asked VCR owners if they're planning to buy a disc machine in the next 12 months and 5% said yes, they hoped to purchase one. Those who replied 'no' were asked to elaborate."

Most often they stated that they "were totally satisfied with their VCR," according to Richards, and additionally, that "the most important thing for them is the ability to record off the air." Almost one in five said they weren't aware of the videodisc machine.

However, among those who've already bought a disc player, 38%—or two out of five—expect to buy a VCR in 1980.

"As for those who are not planning to buy a VCR in the next 12 months," Richards said, "the greatest number told us they're not interested in recording programs, that programs on disc are cheaper than on cassettes and that they're totally satisfied with their disc players.

Second-set purchasers

"Among our third group—those who already own VCR and disc players—11% told us they plan to buy another disc machine this year and 7% reported that they're planning to buy an additional VCR in 1980," adding further testimony to the upscale nature of the customer for these products.

The *Time* study also asked about the importance of stereo sound. "Just over one third told us stereo sound was of great importance as a reason for purchasing a disc player. And three quarters told us that it was of some or of great importance."

Fred Richards, international marketing director of Time-Life Video, reported to ITA members on a recent consumer study by Time *magazine.*

Richards also noted that manufacturers' advertising was the number one influence on both VCR and disc buyers. Store display was the second most important influence for disc buyers.

Also, according to the study, disc player owners purchased a median of 4.6 discs at the time they bought the equipment. And after owning it for just about one year, they've bought a total of almost 16 discs—or, to put it another way—more than one per month. "That's about $300 worth of programming at the retail level," Richards said. "To make a comparison, last year, when we looked exclusively at the VCR market, we found that those people owned a median of 12.6 blank cassettes and 4.3 prerecorded cassettes—the same quantity as disc owners have."

Prerecorded tape buyers

The study also revealed that half of those who own a VCR and almost three quarters of those who own both a VCR and disc player have purchased prerecorded VCR programs. VCR owners bought X-rated, other movies and classic movies. Owners of both formats first bought other movies, then classics. X-rated were the third choice of this group.

As for program purchases specifically, 64% of VCR owners expressed interest in renting prerecorded programs like the programs they purchased. They would like to rent other movies, X-rated and classic movies. A like number of disc owners would also be interested in renting videodiscs.

"Thirty-seven percent of the VCR owners thought that overall, they'd prefer the rental concept. However, just 16% of disc owners and 13% of those who own both formats would prefer to rent, at least while their video equipment is relatively new in their homes."

Also cable users

It was obvious that the survey respondents were video enthusiasts. One out of five owners of VCRs or disc players, and two in five dual owners also have cable tv. In addition, almost the same proportion of each group has pay cable. Nationally, 17% of all U.S. households have cable and pay cable is purchased by less than 5%of all households. •

ITA seminar

The Twentieth executive also said that his parent company would soon release "Breaking Away" and "Norma Rae," two Academy Award nominees, to the home video market.

CBS eyeing possibilities

CBS has been looking at a number of videocassette and videodisc programming possibilities.

Joseph Bellon, a CBS News vice president, who spoke at the ITA seminar, thinks that "carefully selected past and present programs broadcast on television should make good candidates for the home video market."

Another possibility is a video magazine produced by CBS News for Continental Airlines, using stories from a variety of the network's broadcasts. This type of material could eventually become a home video product, Bellon said.

He also sees a "big market" for nonfiction programs taken from or similar to such tv network productions as "60 Minutes" and "20/20."

Results of Fotomat study

Steve Wilson, vice president-video operations at Fotomat, the only company that both rents and sells prerecorded videocassettes, added some weight to the rental argument at the ITA meeting when he disclosed the results of a survey by Fotomat.

In a sampling of about 100,000 transactions at retail, Wilson said the ratio of rentals versus sales was four to one on a national level.

Broken down by types of programming, science fiction experienced the greatest differential with 10 rentals to every cassette sale. Major motion pictures were next with a seven to one rent-to-sell ratio on average. "With some films, like 'Looking for Mr. Goodbar,' it was 18 to one," Wilson said.

In other categories, such as drama, the rent vs. sell ratio was six to one; theatrical or musical programs, five to one; action/adventure, four to one; childrens programs, four to one; classics (Wilson included the two "Godfather" features in this category) and comedy and love stories, three to one, and boxing matches, two to one.

"Nothing sells more than it rents," Wilson said. •

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Superman (new)**	5	2
2. **The Godfather**	1	9
3. **Blazing Saddles**	N	1
4. **Grease**	N	1
5. **The Godfather II**	4	6
6. **Saturday Night Fever**	2	9
7. **Heaven Can Wait**	N	1
8. **Dirty Harry**	N	1
9. **Butch Cassidy & the Sundance Kid**	8	6
10. **The Exorcist**	N	1
11. **M*A*S*H**	3	18
12. **Harold and Maude**	16	2
13. **All the President's Men**	N	1
14. **Looking for Mr. Goodbar**	24	6
15. **The Sound of Music**	6	13
16. **Marathon Man**	13	5
17. **Bruce Lee—Super Dragon**	39	16
18. **Silver Streak**	N	1
19. **Foul Play**	N	1
20. **Chinatown**	11	3
21. **The Graduate**	12	15
22. **Patton**	7	18
23. **Murder on the Orient Express**	14	6
24. **The African Queen**	26	9
25. **French Connection**	9	18
26. **King Kong (new)**	31	4
27. **Nashville**	33	4
28. **Pretty Baby**	17	3
29. **The Deep**	19	2
30. **Death Wish**	10	3
31. **Carnal Knowledge**	22	15
32. **Hello Dolly**	28	18
33. **The Longest Yard**	21	3
34. **A Touch of Class**	34	9
35. **In Praise of Older Women**	42	4
36. **Barbarella**	15	6
37. **The Adventures of Sherlock Holmes' Smarter Brother**	23	4
38. **Night of the Living Dead**	29	10
39. **The Shootist**	40	3
40. **Tora! Tora! Tora!**	27	18
41. **The King & I**	25	18
42. **The Longest Day**	20	18
43. **Tunnel Vision**	46	10
44. **The Sailor Who Fell From Grace With the Sea**	44	13
45. **Wild Geese**	30	14
46. **Love Story**	38	5
47. **Von Ryan's Express**	N	16
48. **The Dutchess & The Dirtwater Fox**	N	5
49. **Richard Pryor**	N	3
50. **King Kong (old)**	37	15

formerly Merchandising Week AGRALLA PUBLICATION MAY 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

5/12/80 C 4200-1 U

OUTLOOK 1980

MARY R ROSTAL 30CM550
CONGRESSIONAL INFO INC
7101 WISCONSIN AVE
WASHINGTON DC 20014

Statistical & Marketing Forecast

GOURMET-What's Cooking?

Formerly Merchandising Week

Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

May 1980

Outlook 1980

37

Merchandising's sixth annual Statistical & Marketing Forecast—a basic tool for retailers of major appliances; home, auto and personal electronics; and electric and non-electric housewares—is designed to help chart merchandising courses for the second half.

Statistics are based on manufacturer projections, compiled by Selma Book, research associate. Accompanying analyses are by Ron Schneiderman, Jack Blood and Lois A. Panosh.

GOURMET
...what's cooking

18

Gourmet, as a merchandising philosophy, like love, is here to stay. Defining the concept, Lois A. Panosh talked with manufacturers and suppliers. Assisting her was Nava Benjamini.

How gourmet housewares and foods are being sold together is related in Joyce Jarcho's account of a visit to Fay & Allen's Foodworks on Manhattan's upper east side.

Ron Schneiderman discovered The Perfect Pan in San Diego. Talking with George Munger, owner, the evolution from the desire to open a cooking school to opening retail shops and restaurants unfolds.

Trendings

- Audio dealers struggling to cope with consumer credit crunch.
- Retailers working harder to keep VCR, tv sales on par with '79.
- FCC ruling on telephone marketing seen boon to retailers and independent suppliers.
- Say gourmet "really cooking" on all four burners at smaller specialty shops.
- "Entertaining work-savers" and Mother's Day are promo pegs for buyers of electrics.
- Energy labeling expected to give May appliance sales extra boost.

8

Store Operations

32

"The availability of retail credit has been significantly restricted in the last six months, and I think it's going to become even tighter," warns Melvin Brown, president of ITT Diversified Credit Corp. He sees smaller dealers as being especially affected.

In her initial column for *Merchandising*, Stephanie Shern, a principal at Arthur Young & Co., advises retailers on how to deal with the Fed's new Consumer Credit Restraint Program.

Retail Opinion File

30

With the majority of small dealers dependent on consumer credit for at least a portion of their sales, they say they're beginning to feel the pinch of higher interest rates and curbs on their customers' "plastic" money, according to this month's Retail Opinion File. Many are pushing cash sales, most are having collection problems.

Prerecorded Videocassette Report

"The largest introduction effort ever undertaken." That's what's in store for RCA's SelectaVision videodisc player. All media will be used to promote the product.

"Superman" and "The Godfather" repeat as the No. 1 and 2 best sellers in *Merchandising*'s Top 50 prerecorded videocassette chart this month.

57

Happenings

- Sony to unveil full range of audio equipment at the June CES....................63
- Steve Smith named CEO of Sunbeam Appliance Co., Mehra to head Hanson Scale Div....................63
- U.S. Pioneer to roll out optical videodisc player in June; Philips groups sign cross-licensing pact with DVA on another optical system....................64
- John Bissell elected NHMA president....................67
- NATM members hear buying group topped $1 billion sales mark in '79, expect to improve market shares despite business slowdown....................68

GAMA

62

The dominance of electric major appliances over their gas-fueled counterparts is beginning to diminish, attendees at the Gas Appliance Manufacturers Assn.'s convention were told. Harry Paynter, GAMA president, said $3 million will be spent this year to promote the advantages of gas appliances. The American Gas Assn., too, is beefing up its consumer advertising to provide backup for both manufacturers and dealers of gas appliances.

Coming in June

★ ***Overviews of second half from key audio, video, personal electronics and prerecorded videotape suppliers.***
★ ***Electronics Product Showcase***
★ ***Stephanie Shern's "Minding the Store" column to offer retailers tips on how to control advertising costs.***

From the Capital

Administration moves to squeeze consumer credit is a big issue facing hard goods retailers; Congressmen warn against abandoning consumer credit protection such as Truth-in-Lending laws. Justice Dept. wants to step up attacks on suppliers pressuring dealers to sell at list price.

6

Gourmet....................22-26
Housewares....................28-29
Electronics....................58-60
Major Appliances....................61

A GRALLA PUBLICATION
VOL. 5, NO. 5 MAY 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)
Editor....................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Assistant Editor............Joyce Jarcho
Field Editors..............Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate.......Selma Book
Art Direction..................Sam Kweskin

CORRESPONDENTS: **Albany, NY,** Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
....................Susan Benvenuto
Assistant Production Manager
....................Vicki Lauro
Circulation Director....James Fischer

Circulation Manager
....................Marie Kowalchuk
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis

Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102

West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business

PRESIDENT—Lawrence Gralla. **EXECUTIVE VICE PRESIDENT**—Milton Gralla. **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman. **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to Fulfillment Manager, Merchandising, P.O. Box 2157, Radnor, PA., 19089. Change-of-address notices should sent promptly, provide old as well as new address, include ZIP code number if possible, attach address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Merchandising
MAY 1980

OUTLOOK 1980

MAJOR APPLIANCES

Air Treatment 38
Cleanup 40
Cooking 38
Laundry 40
Refrigeration 40

ELECTRONICS

Audio/Tape 42
Autosound 44
High Fidelity 44
Personal Electronics 48
Television 46
Video 44, 46

HOUSEWARES

Air Treatment 51
Clocks 51
Cookware/Bakeware 52
Floor Care 52
Home Security 52
Kitchen Electrics 53
Non-Electrics 55
Outdoors 54
Personal Care 54
Product-by-Product Index 55

TABLE OF CONTENTS

Selma Book
Research Associate
Robert A. Leibson
Research Director

AIR TREATMENT

	1980	1979	% of Change
Total	4,415	4,680	-6
Air Cleaners (total)	227	247	-8
Portable Room Type	54	56	-4
Central & Duct Mounted	173	191	-10
Room			
Air Conditioners (total)	3,498	3,749	-7
By Size			
Under 7,000 Btu	1,081	1,162	-7
7,000-10,999 Btu	1,088	1,162	-6
11,000-19,999 Btu	982	1,050	-6
20,000 Btu & Over	347	375	-8
By EER Rating			
High (7.5 & Over)	1,350	1,312	+3
Low (Under 7.5)	2,148	2,437	-12
Dehumidifirs	690	684	+1

Figures shown less last three 000's

Air Treatment

The minuses outweigh the plusses, so far as the outlook for air treatment products is concerned. An overall 6% decline in unit sales, to 4,415,000 is forecast.

Negative factors include a weakening economy, as evidenced by the inflationary squeeze on disposable consumer income, higher product costs and, in the case of room air conditioners, a heavier-than-normal carryover stemming from last year's disappointing weather and sales.

Room air conditioner volume is projected to slide 7% to 3,498,000 units after a similar decline last year.

Contributing to the pessimistic picture for room air are the government-mandated requirements for more efficient units which add substantially to unit purchase prices.

Indeed, high efficiency units, those rated at 7.5 EER or above, are expected to increase their market share this year on a 3% growth to 1,350,000; while lesser-rated units drop 12% to 2,148,000.

Gains in the middle

Size-wise, the middle area is seen gaining some market share at the expense of the "under 7,000 Btu" and "over 20,000 Btu" categories, both of which are expected to show bigger declines.

Electronic air cleaners are also expected to drop off in sales, according to most sources, with the biggest decline coming in central or duct-mounted units, which are linked to the softening builder market.

One bright spot in the air treatment prospects is the dehumidifier, whose sales have been running contrary to industry trends the past couple of years and which are expected to rise another notch to a record 690,000 units thanks to heavy rainfall in many areas. •

COOKING

	1980	1979	% of Change
Total	7,769	7,612	+2
Electric Ranges (total)	2,896	3,003	-4
Free-Standing (total)	2,164	2,244	-4
Standard	2,030	2,093	-3
Smoothtop	134	151	-11
Built-In (total)	732	759	-4
Standard	669	690	-3
Smoothtop	63	69	-9
By Cleaning System:			
Self-Cleaning	1,157	1,171	-1
Continuous Clean	616	661	-7
All Other	1,122	1,171	-4
Gas Ranges (total)	1,773	1,794	-1
Free-Standing & Set-In	1,518	1,538	-1
High Oven	127	128	-1
Built-In	128	128	N.C.
By Cleaning System			
Self-Cleaning	218	215	+1
Continuous Clean	618	646	-4
All Other	937	933	N.C.
Microwave Ovens (total)	3,100	2,815	+10
Countertop	2,789	2,535	+10
Combinations (total)	311	280	+11
Electric Double Oven	231	206	+12
Gas Double Oven	31	27	+13
Single Cavity	49	47	+5

Figures shown less last three 000's

Cooking

The sales "star" in the cooking appliance and general white goods story this year looks like the microwave oven.

Another in an unending series of record sales years is in store in 1980 for this product.

A 10% sales increase to 3.1 million units projected for microwaves is the principle element in the modest 2% gain to 7,769,000 units forecast for cooking appliances.

Included in the microwave figures are 2,789,000 countertops, and 311,000 combination units, a category showing a 11% projected gain.

The preponderance of countertop microwave ovens sales are still to first-time buyers. The combo sales growth, whether it be electric or gas ovens, or a single cavity "micro-range," however reflect a growing replacement market as well as to homes where counter space is limited.

Replacements bolster range sales

The replacement market is the main reason that range sales projections aren't even lower, given the plummeting new home market.

Electric range volume is expected to drop 4% to 2,896,000, being more adversely affected by the slump in builder sales, while gas ranges are expected to slip only 1 percentage point to 1,773,000.

Gas range sales, after losing their "parity" position vis-a-vis electric in the early '70s, have also bettered their relative position because of improved fuel availability, renewed promotional effort, and the elimination of the standing pilot—which offers a greater energy-saving contrast over older models that can be demonstrated in electrics.

The energy factor

Energy saving is undoubtedly a factor in the microwave sales growth (and conceivably perceived as an adverse one with regards to the decline in smoothtop sales).

A growing market share of the microwaves, combinations, self-cleaners, convection units and built-in ventilation systems, as well as energy-saving features, provide buoyancy to cooking appliances, while boosting dollar sales. •

CLEANUP

	1980	1979	% of Change
Total	6,494	7,097	-9
Dishwashers (total)	3,190	3,488	-9
Portable	466	504	-8
Undercounter	2,724	2,984	-9
Food Waste Disposers	3,024	3,316	-9
Trash Compactors	280	293	-4

Figures shown less last three 000's

Cleanup

A slowdown in sales, along with a slackening in the economy, is projected for the cleanup appliance group.

The overall 9% decline—and similar declines in dishwashers and food waste disposers—forecast by the industry, reflects not only the softening economy in general, but, in particular, the sharp downturn in housing starts and completions.

Housing starts, on which continuing inflation and high mortgage rates have impacted adversely, are now expected to fall off 20% from a year ago, even more than the 15% decline projected earlier.

The projected drop in dishwasher and disposer sales to 3,190,000 and 3,024,000 units, respectively, however, will not be as great.

Remodeling and replacement help

Replacement sales and increased kitchen remodeling activity, as many consumers elect that option to a home purchase, will take up some of the sales slack. Stimulating replacement sales for dishwashers, too, will be new models from suppliers geared to energy savings, features that labeling regulations and other publicity will alert consumers to.

Another ameliorating factor is the generally higher price tags that upgraded features are commanding.

Less affected by the housing slowdown are trash compactors, whose sales this year are forecast to dip only 4% to 280,000 units. Replacement sales are still a negligible factor in this relatively new product area, but its low saturation continues to offer sales opportunities.

LAUNDRY

	1980	1979	% of Change
Total	8,373	8,516	-2
Dryers (total)	3,489	3,551	-2
Electric	2,506	2,565	-2
Gas	763	768	-1
Compact	220	218	+1
Washers (total)	4,884	4,965	-2
Automatic & Semi-Automatic	4,400	4,480	-2
Wringer & Spinner	182	186	-2
Compact	302	299	+1

Figures shown less last three 000's

Laundry

Home laundry looms as one of the stronger major appliance product areas this year.

Projections indicate only a slight, 2%, sales dip in overall unit volume for this product category, and for each of its major components—washers and dryers—despite what, to say the least, is an unsettling economic climate.

The 8,373,000 total units forecast make it the largest in white goods. Included are 4,884,000 washers and 3,489,000 dryers.

Compacts to grow modestly

The compact segment within each shows signs of slight growth as indicated in the chart, to 302,000 washers and 220,000 dryers. Increasing space constrictions in housing generally and the apartment rental-condominium trend in particular are seen as lending buoyancy to compact sales.

Home laundry products apparently are more resilient to the vicissitudes of the economy than most of the other majors. They are not likely to be included in the "package" in vendor sales to builders, and hence less adversely impacted by the sharp downturn in new housing.

Product improvements provide stimulus

Moreover, replacement sales, as the most significant factor in laundry equipment sales, are being stimulated by such developments as solid-state circuitry and energy-saving features—significant in the latter instance with washers which are part of the labeling program.

Germane to the replacement market in laundry are the big sales years of 1972 and 1973 when washer volume surpassed 5 million units and dryer volume approached 4 million—units that are increasingly ripe for replacement.

In dryers, gas units are seen making a bit of headway against their electric counterparts, attributable in part to more visible energy savings gains from the elimination of the standing pilot, and in part to increased gas utility promotional efforts.

REFRIGERATION

	1980	1979	% of Change
Total	8,222	8,340	−1
Freezers (total)	2,215	2,141	+3
Chest	1,029	1,001	+3
Upright	887	858	+3
Compact	299	282	+6
By Defrosting System:			
No-Frost	197	193	+2
All Other	2,018	1,948	+3
By Size:			
Under 10 cu. ft.	285	282	+1
10-14 cu. ft.	341	335	+2
15 cu. ft.	414	390	+6
16 x 17 cu. ft.	434	409	+6
18 x 19 cu. ft.	214	204	+5
20 cu. ft. & Over	527	521	+1
Refrigerators (total)	6,007	6,199	−3
Full-Size	5,494	5,701	−4
Compact	513	498	+3
By Defrosting System:			
No-Frost	4,810	4,959	−3
All Other	1,197	1,240	−4
By Freezing Compartment:			
Single Door	428	456	−6
Top-Mount	4,107	4,219	−3
Side-by-Side	851	912	−7
Bottom-Mount	108	114	−5
By Size:			
Under 6.5 cu. ft.	482	498	−3
6.5-11 cu. ft.	329	342	−4
12 & 13 cu. ft.	488	513	−5
14 & 15 cu. ft.	1,221	1,254	−3
16 & 17 cu. ft.	1,228	1,254	−2
18 & 19 cu. ft.	1,066	1,084	−2
20 & 21 cu. ft.	653	684	−5
22 cu. ft. & Over	540	570	−5

Figures shown less last three 000's

Refrigeration

A mixed bag is the projection for refrigeration.

Refrigerator unit volume is forecast to be off 3%, but freezer sales to be up by that same amount.

Economic conditions, including Administration efforts to bank inflation's fires with credit curbs on consumer spending in this election year are having a decisive impact on the refrigeration scene.

Affected most severely by the weakness in the economy, notably in the home building sector, are refrigerators.

Negative effects of housing slump

With home completions—which helped maintain big refrigerator sales volume even after starts began their slide—drying up, so are product sales for this sector.

Replacement sales will take up much, but not all, of the slack, industry sources say, and they will be impeded in part by the tighter consumer credit and also by higher costs in which conformance to government energy-saving and labeling requirements are a factor.

With the continuing trend towards higher capacity topmounts and the higher average dollar sale, and a gain in sales of compacts—which go largely to a less-recession-influenced clientele—are plusses.

Freezer picture brightening

The same inflation-induced problems that are clouding the refrigerator outlook, are, in the realm of higher food costs, brightening the picture for freezers.

Freezer volume is expected to be the highest since 1975—when similar conditions of sharp food cost increases prevailed—on a 3% unit gain to 2,215,000.

Both chests and uprights are projected to grow by the same percentage, to 1,029,000 and 897,000, respectively.

Compact freezer sales continue to grow, notably in more urban areas where space is a factor, with a 6% rise to 299,000 units projected.

Audio/Tape

New, smaller, innovative products with more features and only slightly higher prices (in most cases) are expected to give a big boost to the portable tape market this year. Only 8-track players and recorders will decline in sales, according to *Merchandising's* market projections.

The biggest gain will come in microcassette recorders, with a 16% increase (to 183,000 units) expected in 1980 over '79, partly because of greater consumer awareness. Another factor, of course, is product performance; the micros sound better and are more reliable than in the past. As a result, they appeal to a broader segment of the market.

Next comes cassette/radio combos, a category expected to grow 15% this year over last, to a unit sales level of 4,562,000. Even the more basic cassette recorder will be up in unit sales this year, but only by a projected 2%.

Overall, the portable tape recorder category is expected to show a 4% increase in unit sales in 1980.

Compacts due to slip

With few exceptions, compact stereos will take a beating this year. There are two bright spots, however: Cassette trimode models—those with receiver, turntable and cassette player—and the so-called quadmodes with the 8-track feature addition, which seem to be gaining in popularity as more owners of 8-track music libraries make the transition to cassette.

The trimodes are seen as making a 20% gain this year, while the quads (with only 123,000 units selling in 1979) should grow by 18% in 1980 to 145,000 unit sales.

Everything else resembling a compact will be off this year, according to *Merchandising*'s forecast—some products dramatically. Hardest hit, of course, will be the 8-track units, particularly the 8-track player bimode (receiver, 8-track player), which is expected to show a 31% drop in sales in 1980 versus '79.

Overall, compact systems will be off 10% this year.

Blank audio tape

In blank audio tape, the cassette market is in good shape in general with premium continuing to show the strong gains and metal particle at least doubling in unit sales as a function of the sale of metal-compatible cassette decks and consumer awareness. Still, promotional tapes show up well for 1980, due to some extent to the continued strength of portable tape hardware sales.

Open reel tape sales will be down overall this year, even though hardware sales are projected as at least comparable to last year's sales levels. This is expected to be true, in part, because some open reel deck sales are being attributed to consumers who already have a healthy supply of tape.

As for 8-track tape sales, they're projected to be off 19% in 1980.

Overall, radios will be down at least 7% in unit sales this year with the AM-only format the hardest hit. The one area of growth projected by *Merchandising* is solid-state digital clock versions in which a 20% gain is anticipated.

In specialty models, weather-band models will be up about 11%, according to estimates, and scanners up about 10%. CB radio sales will be off dramatically again this year, down 17% overall. ●

BLANK TAPE

	1980	1979	% of Change
Total	255,270	234,786	+ 9
Cassette (total)	229,294	203,986	+ 12
Promotional	106,164	94,790	+ 12
Metal Particle	452	226	+ 100
Chromium Dioxide	6,211	6,538	−5
Ferrite Chrome	4,664	4,359	+ 7
Premium*	111,803	98,073	+ 14
Open Reel (total)	8,436	9,200	−8
Promotional	1,275	1,500	−15
Premium*	7,161	7,700	−7
8-Track (total)	17,540	21,600	−19
Promotional	10,101	12,950	−22
Premium*	7,439	8,650	−14

* *Includes high coercivity ferrite, cobalt ferrite, etc.*

PORTABLE TAPE RECORDERS

	1980	1979	% of Change
Total	18,210	17,532	+ 4
Cassette Recorders	12,495	12,250	+ 2
Cassette/Radio Combos	4,562	3,967	+ 15
8-Track Players	924	1,100	−16
8-Track Recorders	46	57	−20
Microcassette Recorders	183	158	+ 16

COMPACT SYSTEMS

	1980	1979	% of Change
Total	4,005	4,464	−10
Cassette Bimode	57	73	−22
Cassette Trimode*	1,482	1,235	+ 20
8-Track Player Bimode	264	383	−31
8-Track Player Trimode*	575	777	−26
8-Track Recorder Bimode	304	417	−27
8-Track Recorder Trimode*	939	1,188	−21
Changer Bimode	239	268	−11
Quadmode*	145	123	+ 18

≈ *All units include stereo radio*

* *Includes changer*

RADIOS

	1980	1979	% of Change
Total	26,675	28,550	−7
By Format:			
AM Oly	4,599	5,710	−20
FM & FM/AM	22,076	22,840	−3
By Type:			
Table	1,160	1,250	−7
Portable	15,856	17,100	−7
Clock	9,659	10,200	−5
Analog	2,366	2,600	−9
Digital Clock (total)	7,293	7,600	−4
Solid State	5,640	4,700	+ 20
Mechanical Leaf	1,653	2,900	−43
By Power Source:			
Battery	7,736	8,400	−8
Plug-In	11,203	11,700	−4
AC/DC	7,736	8,450	−8
Specialty Types:			
Multibands	7,272	7,200	+ 1
Weather-Bands	1,055	950	+ 11
Scanners	1,012	920	+ 10
Citizen's Band (total)	1,319	1,590	−17
Base Station (total)	145	190	−24
Single Sideband	53	75	−29
Without Single Sideband	92	115	−20
Mobile Units (total)	1,174	1,400	−16
Single Sideband	187	225	−17
Without Single Sideband	987	1,175	−16

Figures shown less last three 000's

AUTOSOUND

	1980	1979	% of Change
Total	18,487	18,630	–1
UD 8-Track Players	884	1,300	–32
UD 8-Track Radio Combos	375	500	–25
UD Cassette Players	705	775	–9
UD Cassette/Radio Combos	508	605	–16
ID 8-Track/Radio Combos	2,000	2,500	–20
iD Cassette/Radio Combos	2,618	2,200	+ 19
Radics Only (retrofit)	1,137	1,250	–9
Speaker Pairs	10,260	9,500	+ 8

Figures shown less last three 000's

Autosound

Thanks to a strong sales outlook for in-dash cassette/radio combos and speakers, the entire autosound category will be down only 1% this year in unit sales compared with 1979.

Industry marketers are projecting that the in-dash cassette/radio models will be up 19% in 1980, to 2,618,000 units. Speaker pairs are seen growing 8%, climbing this year to 10,260,000.

Although sales in dollars are not projected in this Statistical and Marketing Forecast, aftermarket car stereo manufacturers and importers expect the in-dash cassette products to be up in dollars this year, partly because many people continue to trade up to better equipment, but also due to at least slightly higher prices at retail.

Small cars, small speakers

Sales in dollars for speakers may suffer somewhat on a per-sale basis. Dealers are finding that consumers, particularly those buying smaller cars, aren't skimping on the number of speakers they're installing, but they are opting for smaller speakers, according to many dealer reports.

The biggest drain will come, of course, in 8-track products. This is true mainly in underdash 8-track players in which a dramatic 32% drop in unit sales are projected by industry sources.

Next comes underdash 8-track/radio combos with a 25% projected unit sales decline.

The trend toward in-dash is obvious as even underdash cassette/radio combos will experience a decline in sales this year—down about 16% from '79.

As for radios only (retrofit models), a 9% drop in unit sales is anticipated for this year. •

COMPONENTS

	1980	1979	% of Change
Total	14,985	14,425	+ 4
Receivers	1,521	1,450	+ 5
Amps, Pre-Amps, Tuners, Equalizers	434	417	+ 4
Turntables (exc. OEM)	2,506	2,433	+ 3
Cartridges (ex. OEM)	3,535	3,500	+ 1
Speakers	4,158	3,850	+ 8
Headphones	2,831	2,775	+ 2

TAPE DECKS

	1980	1979	% of Change
Total	712	675	+ 5
Cassette	540	495	+ 9
8-Track	64	72	–12
Open Reel	108	108	N.C.

Figures shown less last three 000's

High Fidelity

Industry consensus is for moderate growth in high fidelity components in 1980 versus 1979 virtually across the board. Overall, a 4% increase in component sales is projected, 5% overall for tape decks.

Unit sales expectations for hifi are about half what the industry projected at this time last year for 1979 compared with what had actually soid in 1978. Then, unit sales growth for 1979 was set at 8% versus '78.

Speakers are expected to get the big play this year in terms of unit sales growth, up 8% over '79. A good part of this increase will come from mass merchandisers (including catalog showrooms), independent appliance/tv chains and stores and other less traditional hifi retailers who increasingly look to hifi as a traffic and sales draw.

Less optimistic picture

If we compared what industry sources believe will occur in unit sales growth this year over '79, versus what they thought would happen at this time last year for '79 compared with what actually happened in 1978, the picture is much less optimistic. This year's projected growth for receivers, for example, is 5% (it was 7% for '79 in last year's May issue of *Merchandising*). For amps, pre-amps, tuners, equalizers together, a 4% increase in unit sales is expected this year (it was 9% for 1979). In turntables, a 3% increase is anticipated this year (versus a 7% boost for last year), and in cartridges, the unit sales increase projected for 1980 is only 1% against a 9% anticipated increase at this time last year for calendar '79.

Headphone sales are seen as only 2% ahead of last year; they were projected as being 7% ahead at this time a year ago.

Even speaker projections are down—to 8% compared with an expected increase of 10% a year ago.

Cassette decks expected to gain

As for tape decks, only cassette models will experience any growth this year, according to industry sources. Open reel models will run about the same as last year at a unit sales rate of about 108,000. And 8-track sales will be down an estimated 12%, to 64,000 units.

Much of the growth in hifi this year is expected to result from sharper pricing and much more aggressive promoting at both manufacturing and retailing levels. As a result, while unit sales should be higher in just about every component category, questions remain as to how successful many suppliers—and retailers—will be in actual sales and profits. •

VIDEOCASSETTE RECORDERS

	1980	1979	% of Change
Total	569	478	+ 19
Beta Format	163	148	+ 10
VHS Format	406	330	+ 23

BLANK VIDEOTAPE

	1980	1979	% of Change
Total	13,854	9,967	+ 39
Beta Format	5,754	4,567	+ 26
VHS Format	8,100	5,400	+ 50

Figures shown less last three 000's

Video

Videocassette recorder sales have been running at record rates—close to 60% ahead of last year for the year to date—and projections for all of 1980 reflect continued optimism. Surveys of VCR marketers, however, indicate that the current sales pace probably won't be maintained for the balance of the year.

Overall, *Merchandising* is projecting sales of 569,000 VCRs, for a 19% gain on the year. The VHS format will continue its dominance with more than twice as many unit sales as the Beta format. VHS is expected to register a 23% increase versus Beta's 10%.

Much of the gain on the Beta side is attributable to the new highly-featured models currently available and coming to the market.

Despite the apparent surge of VCR buying, few industry sources expect heavy buying of video cameras—certainly not black-and-white models. Indeed, black-and-white camera sales will be off an estimated 23% this year. Color cameras, on the other hand, will show a 20% increase in sales, to 52,000 units.

Overall, camera sales will be up only 3% in 1980, totaling 75,000 units.

Blank tape to jump

Huge gains are expected in blank videotape sales. Sales are expected to come close to 14 million this

→

Video *Continued*

PRERECORDED VIDEOTAPE

	1980	1979	% of Change
Total	3,350	2,158	+ 55
Non-X-Rated	1,135	633	+ 79
X-Rated	2,215	1,525	+ 45
Beta Format	1,159	906	+ 28
VHS Format	2,191	1,252	+ 75

VIDEO CAMERAS

	1980	1979	% of Change
Total	75	73	+ 3
Black & White	23	30	−23
Color	52	43	+ 20

Figures shown less last three 000's

year, an increase of about 39%. Obviously, because of the higher population of VHS machines, and a higher rate of projected VHS sales, this blank tape format will experience the most growth. In fact, VHS blank tape sales could show increases of 50% in 1980. Beta format sales are seen as growing by 26%.

Dramatic growth is also expected in prerecorded videotapes. Merchandising is projecting that 3,350,000 prerecorded videocassettes will be sold this year in the U.S., 55% more than the 2,158,000 sold in 1979.

Again, VHS format will make the big gain.

General programming (non-X-rated) will far outdistance X-rated sales growth this year as more major motion picture features and special interest programs are becoming available on videocassette.

The non-X variety is due to experience a 79% surge, compared with the 45% gain predicted for X-rated material. In terms of units, the forecast for general programming prerecorded tapes is 1,135,000 and X-rated sales will hit the 2,215,000 mark. ●

TV

COLOR TV

	1980	1979	% of Change
Total	9,427	9,793	−4
By Model:			
Portable & Table	7,327	7,530	−3
Console & Combo	2,100	2,263	−7
By Screen Size:			
9-in.	358	369	−3
12 & 13-in.	1,435	1,352	+ 14
14 & 15-in.	283	316	−10
16 & 17-in.	342	382	−10
18 & 19-in.	4,696	4,807	−2
21-in.	162	176	−8
23-in. (total)	223	248	−10
Console & Combo	191	212	−10
Table	32	36	−11
25-in. (total)	1,928	2,143	−10
Console & Combo	1,839	2,051	−10
Table	89	92	−3
Remote Control	1,932	1,731	+ 12

BLACK & WHITE TV

	1980	1979	% of Change
Total	5,963	6,281	−5
By Model:			
Portable & Table	5,945	6,258	−5
Console & Combo	18	23	−22
By Screen Size:			
Mini Combos	320	322	−1
9-in. & Under (exc. minis)	524	560	−6
12-in.	4,264	4,372	−3
13 & 15-in.	153	176	−13
16 & 17-in.	135	156	−13
18 & 19-in.	546	667	−18
22-in. (total)	21	28	−25
Console & Combo	17	23	−26
Table	4	5	−20
Battery-Operated	1,234	1,234	N.C.

Projection TV/TV Games

	1980	1979	% of Change
Projection TV	65	63	+ 3
TV Games (total)	1,609	1,685	−5
Non-Programmable	1,009	1,085	−7
Programmable	600	600	N.C.

Figures shown less last three 000's

While color television sales will continue strong through much of the remainder of this year, they won't be quite up to last year's level. For all of 1980, in fact, unit sales are expected to total 9,427,000, a 4% decline from the 9,793,000 color sets actually sold to dealers in 1979. This is also several points behind 1978's all-time record sales year of 10,236,000.

Despite the sales decline, many manufacturers view this as a fairly healthy year for color sales, considering recent and anticipated price hikes and continuing pressures on consumers' spending power. Some suppliers have even said they expect to increase their share of market this year.

From an even more positive point of view, many manufacturers no longer consider color tv a discretionary product. Like many major appliances—refrigerators and ranges, to name two—color television must be replaced immediately when something goes wrong with the set.

Second set buyer going remote

Then, of course, there's the second- and third-set buyer, who usually purchases a portable or table model and increasingly opts for convenience features such as remote control.

Portable and table models will be off only 3% this year—to 7,327,000. By comparison, console and combo sets will be down 7%—to 2,100,000.

In breaking down sales by screen size, the one area of strength this year will be 12- and 13-in. models, which *Merchandising* is projecting to be up 14% in unit sales in 1980 over 1979.

The 18- and 19-in. sets continue to show strength. Sales of these models will be behind only 2% this year, according to estimates.

The remote control feature continues to gain in popularity. Sales of color receivers with this feature are expected to show a 12% increase—to 1,932,000 units.

Monochrome tv to decline

In black-and-white television, unit sales will be down about 5% overall, to 5,963,000. More specifically, *Merchandising* is projecting portable and table models to be off 5% and console and combo units to be down fully 22% in sales.

In terms of screen sizes, no gains are expected in 1980, although the mini combos, with radios, cassette decks, and various other built-in features should just about equal 1979's sales levels at 320,000 units. The same holds true for battery-operated types.

As a general rule, in black-and-white sets, the smaller the screen size the stronger the unit sales outlook for the year. For example, the 9-in. and under models (excluding mini combos) are expected to be off about 6% in 1980. The 13- and 15-in. and the 16- and 17-in. groupings will each be down 13%, according to projections, but 22-in. sets will show a 25% decline this year.

Projection tv expected to inch up

Projection television, which showed a healthy increase in 1979 for such a high-ticket item (63,000 unit sales versus 54,000 in 1978), won't come anywhere near matching that sales performance this year. Even with expanded distribution and higher consumer awareness, this product category is predicted to grow to only 65,000 units, a 3% gain over last year.

The tv game appears to be losing some ground to the increasingly popular hand-held and board electronic game and even personal computers. *Merchandising* sees no change in the sales of programmable models from last year when about 600,000 units were sold. Non-programmable tv games will show a 7% decline this year to 1,009,000 units. ●

Personal Electronics

TELEPHONES/ANSWERERS

	1980	1979	% of Change
Total	2,791	2,595	+ 8
Telephones (total)	2,222	2,100	+ 6
Standard	1,044	994	+ 5
Decorator	991	962	+ 3
Advanced Electronic	187	144	+ 30
Answerers	569	495	+ 15

DIGITAL WATCHES

	1980	1979	% of Change
Total	21,689	19,717	+ 10
LED (total)	1,408	2,967	-53
Men's	1,194	2,367	-50
Women's	214	600	-64
LCD (total)	20,281	16,750	+ 21
Men's	13,406	11,750	+ 14
Women's	6,875	5,000	+ 38

CALCULATORS

	1980	1979	% of Change
Total	27,443	24,978	+ 10
Hand-Held (total)	23,644	21,317	+ 11
Mini-Card	2,676	2,598	+ 3
Printer	653	573	+ 14
Programmable	82	82	N.C.
Other	20,233	18,064	+ 12
Desk-Top (total)	3,799	3,661	+ 4
Display Only	955	946	+ 1
Printer Only	1,508	1,478	+ 2
Printer/Display	1,336	1,237	+ 8

MISCELLANEOUS

	1980	1979	% of Change
Language Translators	182	140	+ 30
Non-Video Games (total)	28,162	16,083	+ 75
Hand-Held	23,865	12,900	+ 85
Board	4,297	3,183	+ 35
Personal Computers	295	246	+ 20
Radar Detectors	659	610	+ 8

Figures shown less last three 000's

Most of the excitement in personal electronics this year—at least in terms of truly big sales gains—will be in non-video electronic games, particularly the hand-held variety. And there will be a greater variety than ever. They'll be much more complex and more challenging. Many models will be more expensive and some even less expensive than what has been available on the market in months past.

The growth of this market has spurred competition to a fair rate of intensity—to the extent that major toy companies have turned over significant resources to the development and marketing of new products in this category.

There are more suppliers in this area than ever before, and more are expected. Some of the smaller suppliers may be hurt by market fragmentation, but the industry as a whole is expected to gain from the higher exposure. Still, projections for unit sales this year aren't quite as dramatic as a year ago, mainly because of general economic conditions.

Hand-held games to lead

Again, hand-held games are expected to show the greatest growth, almost doubling in sales this year over 1979 to a projected 23,865,000 units, or an 85% increase over last year

With less of a variety for consumers to choose from in the board-type electronic games (and less emphasis in advertising and promotional programs), a very healthy but, nevertheless, smaller increase of 35% is projected this year for these products—to 4,297,000 units.

Language translators, with a few more suppliers to help promote this products and boost consumer awareness, are expected to show a 30% increase in unit sales in 1980 over '79—to 182,000.

Personal computers, still a relative newcomer as products go, at least as a mass consumer item, will experience a 20% gain in unit sales this year, climbing to 295,000, according to *Merchandising*.

Calculators to continue growth

Calculators will continue to do well, with most of the sales strength showing up in hand-held printer models. The mini-card calculators, although still very popular, are seen as picking up only about 3% in sales this year to 2,676,000 units.

All desk-top calculator models will pick up in sales, too, but not quite as dramatically as the hand-held products.

LEDs to hurt digital watch outlook

The only drop in the sale of personal electronics products will be in digital watches and then only in LED display types. Overall, the digital watch category is projected to be up 10% by *Merchandising* this year over 1979; it would be up much higher if not for a 53% decline in the sale of LED models.

LCD watches, on the other hand, will be up 21% in unit sales, according to projections, to 20,281,000.

Telephones will also be up 8% overall with most strength in the advanced electronics models—up 30%.

As for telephone answering devices, which are becoming increasingly popular as a home product, they'll be up a projected 15%, according to *Merchandising*. •

FANS

	1980	1979	% of Change
Total	12,739	12,484*	+1
Window	4,994	4,756	+5
Kitchen/Bathroom Built-In Exhaust	2,970	3,000	−1
Range & Oven Hood	2,375	2,500	−5
Desk, Bracket, Pedestal	1,391	1,265	+10
Roll-About	594	566	+5
Hassock or Floor	373	362	+3
Ceiling	42	35	+20

Revised

PORTABLE ELECTRIC HEATERS

	1980	1979	% of Change
Total	5,103	4,957*	+3
Fan-Forced	3,919	3,805	+3
Non-Fan-Forced	203	207	−2
Baseboard	431	445	−3
Quartz	550	500	+10

Revised

HUMIDIFIERS

	1980	1979	% of Change
Total	875	850	+3

VAPORIZERS

	1980	1979	% of Change
Total	1,400	1,400	N.C.

Figures shown less last three 000's

Air Treatment

A new category has been added to air treatment—ceiling fans. While some of their growing popularity may stem from nostalgia—the romance of "Casablanca"—most of the demand for these fans results from their cooling efficiency.

Industry figures show that the 35,000 units shippied in 1979 will increase by 20% to 42,000 units in 1980, according to suppliers' projections.

Perhaps reflecting a downturn in housing starts as well as the high cost of borrowing money for everything including home improvement, a 1% decline in unit sales of kitchen and bathroom built-in exhaust fans is forecast along with a 5% decrease in unit sales of range and oven hoods.

Desk, bracket fans to gain

Desk and bracket fans are forecast 10% ahead of last year. Sales of these fans will definitely be aided by the President's renewal of the 78-degree indoor summer temperature guidelines. With or without air conditioning, the desk and bracket fans make it easier to work indoors when "we're having a heat wave," as many discovered last summer.

The increases projected for the other fan-types bring total unit fan sales to a 1% gain over 1979. Excluding the negatives projected for built-in exhaust and range and oven hood types, the gain for "coolers" is closer to 6%.

Heaters projected up

Fan-forced heaters bring this category to an overall 3% predicted increase, climbing over the 5-million mark . . . with a little help from the quartz segment which has a 10% gain projected.

Accounting for just over 600,000 units together, non-fan-forced and baseboard heaters are seen down 2% and 3%, respectively.

While humidifiers are slated to hit almost 900,000 units for a 3% gain this year, vaporizers will hold with no change at 1.4 million units. ●

CLOCKS

	1980	1979	% of Change
Total	27,343	26,664	+2
Decorative Wall (total)	5,204	5,066	+3
Electric	1,904	1,867	+2
Battery (total)	3,024	2,908	+4
Quartz	2,672	2,264*	+18
Non-Quartz	352	644	−45
Key-Wind	276	291	−5
Kitchen Wall (total)	6,529	6,284	+4
Electric	3,368	3,302	+2
Battery (total)	3,161	2,982	+6
Quartz	2,922	2,609*	+12
Non-Quartz	239	373	−36
Alarm (total)	14,678	14,417	+2
Electric	6,621	6,688	−1
Battery/Quartz	4,473	4,180	+7
Key-Wind	3,584	3,549	+1
Desk/Table/Occasional (total)	932	897	+4
Electric	175	165	+6
Battery (total)	515	472	+9
Quartz	435	378*	+15
Non-Quartz	80	94	−15
Key-Wind	242	260	−7
Analog (total)	22,048	21,442	+3
Decorative Wall	4,771	4,610	+3
Kitchen Wall	6,400	6,158	+4
Alarm	9,973	9,804	+2
Desk/Table/Occasional	904	870	+4
Digital (total)	5,295	5,222	+1
Decorative Wall	433	456	−5
Kitchen Wall	129	126	+2
Alarm	4,705	4,613	+2
Desk/Table/Occasional	28	27	+5

Figures shown less last three 000's

Clocks

The 2% increase projected for unit shipments of clocks will go to quartz. In fact, quartz gains are at the expense of most other types in this category.

For example, the total decorative wall group shows an expected 3% gain for the year. While electric models are shown up 2% and total battery-operated units, 4%; of the latter, quartz posts an 18% increase and non-quartz a 45% drop.

A 5% decrease is projected for key-wind decorative wall clocks.

In kitchen wall clocks, quartz battery-operated models are forecast 12% ahead and the non-quartz type dip below 250,000 units with a 36% decrease expected.

Desk/table/occasional projections

Desk/table/occasional clocks show the battery segment 9% ahead with quartz units gaining 15% and non-quartz losing an equal share.

While electric units in this group are projected up 6%, key-wind models are shown down 7%.

Perhaps the greatest addition quartz, with its accuracy, has made to the clock market, is the advent of the battery-operated alarm. This segment approaches the 4.5 million mark with a 7% gain forecast for 1980.

One thing that appears fairly evident and the clock industry confirms, is that in the not too distant future all battery-operated clocks will incorporate quartz chips for accuracy.

Analog clocks still outsell digitals more than four to one, according to projected shipments for the year ahead. Total analogs are seen up 3% and digitals, just 1%, indicating this spread is increasing. The analog clocks are almost equally divided between wall types and alarms, while the bulk of digital models are alarms. ●

Cookware/Bakeware

Despite a generally erratic economic forecast for the year ahead, total metal cookware/bakeware sales are set for a 5% gain.

Leading the sub-groups is aluminum with a 9% increase projected. Some of this is reflected in the 18% gain forecast for cookware with non-stick interiors, as well. Most of which will probably be the better quality standard and professional-type aluminum cookware with SilverStone interiors being heavily promoted again in 1980.

Another proof of the trend to higher end cookware is seen in the 1% increase forecast for the porcelain enamel on cast iron kind.

Decreases are projected for stainless steel (2%), enamel (2%) and cast iron (4%). This may be indicative of lower domestic output due to price-cutting "look-like" imports.

Overall, while the natural metal finishes—polished or anodized—are close to if not on the top of the best seller list for cookware, in the porcelain and enamel types the almond and earthtone colors finish first.

Along with the professional and traditional sizes of pots and pans, this year a new portion-control cookware debuts in June—Aluminum Specialty Co.'s Weight Watchers line—which is expected to add to second-half excitement.

Pressure cookers still rising

Total unit sales of pressure cookers are projected 8% ahead of 1979. The non-electric models get all the credit for this increase with a 10% gain slotted. The electric units are seen down 3%.

According to one producer, pressure cooker sales "topped off" in the 1974-75 canning boom until the middle of last year when they "took off" again.

Part of the upturn in pressure cooker sales is believed due to their speed—very important to the increased number of working women—and also to the higher cost of food. When pressure cooked, less expensive cuts of meat become culinary delights.

Another aspect of pressure cookers is that while it was canners that gave the category its big boost in '74-'75, current business is across the line starting with 4-qt. capacity cookers, indicating everyday use.

Plastic leads m/w cookware

With a 12% gain projected for the year, plastic microwave oven cookware surpasses the 6-million unit mark to stay at the head of the pack.

Ceramic tops the 4-million count with a 9% increase projected and glass nears the same level, up 8% in units shipped.

Stoneware is slotted for a 4% decrease, falling just below the 2-million unit point.

"Other"—paper and china primarily—hits 800,000 units with a projected increase of 3%.

Working couples have been reported the most frequent microwave oven users—it follows, therefore, they purchase most microwave cookware. While weekends may be spent cooking conventionally, "extras" are frequently prepared and frozen in meal-size portions for fast thaws and re-heatings in the microwave oven during the busy work week . . . accounting for the popularity of plastics. •

METAL COOKWARE & BAKEWARE

	1980	1979	% of Change
Total	111,778	106,723	+5
Aluminum	71,452	65,552	+9
Stainless Steel	25,700	26,255	−2
Enamel	7,395	7,546	−2
Cast Iron	4,656	4,850	−4
Porcelain Enamel on Cast Iron	2,575	2,550	+1
Non-Stick Surface	51,632	43,756	+18

MICROWAVE COOKWARE & BAKEWARE

	1980	1979	% of Change
Total	16,931	15,706	+8
Ceramic	4,009	3,678	+9
Glass	3,990	3,694	+8
Plastic	6,141	5,483	+12
Stoneware	1,991	2,074	−4
Other	800	777	+3

PRESSURE COOKERS

	1980	1979	% of Change
Total	3,065	2,825	+8
Electric	315	325	−3
Non-Electric	2,750	2,500	+10

Figures shown less last three 000's

Floor Care

Industry estimates forecast floor care unit shipments 2% ahead of 1979. This amounts to just under 11 million pieces for this category.

Going just over the 9-million mark, vacuum cleaners account for the lion's share of floor care.

Uprights and canisters are at the head of the class, each projected for a 1% increase, bringing the total of the former to 2.4 million units and the latter to 3.12 million.

A 3% increase is shown for lightweights. While sticks account for almost 1.3 million units of the total 1.7 million listed for the category, they are shown up but 1%. Almost hitting the 400,000-unit level are the hand-held lightweights, with a 12% gain projected.

The non-plug-in picker-upper

Carpet sweepers are slotted up 5% for 1980, equaling a total of 1,365,000 units. In addition to convenience and price, these items are now considered energy-savers, as well.

As one industry source put it, "Many people now think twice before plugging in to pick up."

Floor polishers move forward

Reversing the downward trend seen since 1976, floor polishers are projected 2% ahead, keeping well in front of the half-million-mark.

This might be another sign that the long-awaited recession is finally here and more consumers are preparing to clean their own rugs. •

FLOOR CARE

	1980	1979	% of Change
Total	10,937	10,734	+2
Vacuum Cleaners (total)	9,050	8,922	+1
Canisters	3,125	3,094	+1
Uprights	4,242	4,200	+1
Lightweights (total)	1,683	1,628	+3
Hand-Held	395	353	+12
Sticks	1,288	1,275	+1
Carpet Sweepers	1,365	1,300	+5
Floor Polishers	522	512	+2

Figures shown less last three 000's

Home Security

A 5% increase is projected for the home security market bringing the total number of units scheduled for shipment in 1980 to just under 13 million.

Over half of this category's business is done in smoke detectors. Here the ionization-type account for 10 times the number of photoelectric-type units.

This is not unexpected, the ionization models are less expensive to produce but, more importantly, the government has cleared them as a source of radiation-exposure which might be harmful to one's health.

Fire extinguishers retain place

With "no change" seen for the number of fire extinguishers shipped this year, the category still commands a healthy 5-million unit count.

It appears that both the extinguishers and smoke detectors—the fire-protection segment of the home security market—have become mature markets. Neither has, nor seems likely to now, reached the double-digit-million-unit levels projected for them by some less than five years ago.

The fierce competition, especially among suppliers of smoke detectors, knocked out profit margins and is blamed for this under-performance.

Intrusion is where there's action

While still a relatively small market—just over 10 million units projected to be shipped this year—intrusion systems, single as well as combinations, are where market growth is forecast. Simple intrusion detectors are seen nearing the 600,000-mark with a 25% increase, and combination systems approach a total of half-a-million units with a 100% gain slotted. •

HOME SECURITY

	1980	1979	% of Change
Total	12,930	12,308	+5
Smoke Detectors (total)	6,870	6,600	+4
Ionization	6,240	6,000	+4
Photoelectric	630	600	+5
Fire Extinguishers	5,000	5,000	N.C.
Intrusion Systems	594	475	+25
Smoke/Fire/Intrusion Combos	466	233	+100

Figures shown less last three 000's

Kitchen Electrics

The kitchen electrics industry projects twice as many winners as losers this year—unit shipments are seen up for 16 appliances and down for eight, five remain in a "no change" position.

The biggest percentage gainer is countertop convection ovens—appearing for the first time in *Merchandising*'s Statistical & Marketing Forecast. From the 250,000 units shipped in 1979, the industry forecasts a 200% jump bringing 1980 shipments to a total of 750,000 units.

Coffeemakers, very firmly remaining in the number one spot among the kitchen electrics tracked by *Merchandising*, is projected up 5%. The ADC segment nears the 8.7-million mark with a like gain.

What's interesting here is that 1-16 cup percolators are passing the 3-million count with an 8% gain forecast. This is consistent with trends being reported, but why it is happening has not been satisfactorily explained either by producers or retailers.

Some of the explanations given include: Economy—it takes less coffee to brew a good cup in a perc, smaller kitchens and more appliances—percs take up less space, pricing—percs are more promotable.

There may be a little truth in all of the above and even if many would say there is more fiction, the 1-16 cup percs are moving ahead.

Projected for a 10% increase in units shipped, full-feature lightweight irons pass the 1.5 million mark.

Lightweights take from standard models

Despite the lightweight action, overall the second-place category is expected to take a 2% drop this year. Since "no change" is recorded for the automatic dry, the lightweights appear to be taking all their strength from the standard steam & steam/spray models.

Two-slice toasters and toaster-ovens (with broilers) keep the last of the big three kitchen electrics—toasters—in the plus column with a 3% gain in unit shipments forecast.

The two-slice models are slated to rise 1% and toasters-ovens-with-broilers near the 2-million mark with a hefty 13% gain projected. No change is seen for four-slice toasters while the simple toaster-ovens lose 1%.

Hot air buoys cornpoppers

The cornpopper market, buoyed by a 5% increase in hot air models, is seen up 3% for all units shipped this year compared to 1979.

The self-buttering hot oil units are 2% ahead while the non-buttering-type is off 3%.

A fun, relatively inexpensive, low calorie and high fiber food, popcorn is becoming America's favorite at-home snack. Total unit shipments of cornpoppers will be near the 5.5-million count, according to industry estimates. This is one example where "hot air" is very important and profitable, not just talk.

Among the other kitchen electrics projected for increased unit shipments this year are broilers, can openers, food mixers, food processors, food slicers, frypans/skillets, griddles/quick grills, hotplates & buffet ranges, slicing knives, slow cookers, and waffle irons/sandwich grills.

Food processors top the 3-million mark with a 5% gain forecast. Second-generation models with more sophisticated features at one end, and low-priced promotional and close-out units at the other, have kept this market moving.

Also slotted for a 5% gain are juice extractors—as a group they count for the smallest number of units, 21,000. One of the popular marketplaces for this sophisticated kitchen electrics is the health food shop.

Back to basics

Back to the basics, a 6% increase is forecast for food mixers and frypans/skillets. Stand mixers just top the 1.5-million mark with a 3% increase, and portable hand mixers almost touch the 4.4-million level, up 7%.

Slow cookers are near the 5.9-million level with a projected 5% gain seen and slicing knives and broilers are each projected 3% ahead of 1979.

For the remaining kitchen electrics in the positive column, the gain in units shipped is either 1% or 2% over last year.

"No change" is forecast for coffee grinders, egg cookers, ice crushers, omelet pans and woks. With the exception of the latter at 578,000 units, no appliance in the group ships as much as a half-a-million units. Egg cookers come the closest with a total of 400,000.

Percentagewise, but not unexpectedly, crepe pans are set for the largest loss in unit shipments, down 15%. The item just hovers over the 300,000-mark now.

Deep fryers in a minus position

A 10% decrease for mini-fryers along with a 1% drop forecast for the regular-size unit, puts the deep fryer category into a minus 7% position.

Fondues and yogurt makers are both forecast for 5% decreases. This will keep the former just over the 200,000 count and the latter just over 600,000.

Industry forecasts show bag sealers off 2% and blenders and ice cream makers each with a 1% drop. This brings blenders below the 5-million count for the first time since 1976.

Following the introductions of the American Electric, Farberware and General Electric food processors, it was reported that they were helping blender sales. The blender was even called "the poor man's food processor." However, as food processors—with and without blender attachments—have come down in price, they appear to be adversely affecting sales of blenders.

Balancing the winners against the losers, the total kitchen electrics category is positive—resulting in a 3% increase for the year. ●

KITCHEN ELECTRICS

	1980	1979	% of Change
Total	83,353	81,176	+3
Bag Sealers	2,342	2,390	−2
Blenders	4,975	5,025	−1
Broilers (total)	2,506	2,423	+3
With Rotisseries	469	464	+1
Without Rotisseries	2,037	1,959	+4
Can Openers (total)	5,656	5,520	+2
Single Units	3,010	2,951	+2
Combination Units	2,646	2,569	+3
Coffee Grinders	368	368	N.C.
Coffeemakers (total)	12,741	12,104	+5
ADC	8,691	8,277	+5
Automatic (1-16 cup)	3,138	2,906	+8
Party Perc (over 16 cup)	912	921	−1
Convection Ovens, Countertop	750	250	+200
Cornpoppers (total)	5,415	5,280	+3
Hot Air	2,223	2,117	+5
Hot Oil (total)	3,192	3,163	+1
Buttering	2,546	2,497	+2
Non-Buttering	646	666	−3
Crepe Pans	309	364	−15
Deep Fryers (total)	2,636	2,818	−7
Mini	1,539	1,710	−10
Regular	1,097	1,108	−1
Egg Cookers	460	460	N.C.
Fondues	204	215	−5
Food Mixers (total)	5,900	5,568	+6
Stand Type	1,501	1,457	+3
Portable, Hand	4,399	4,111	+7
Food Processors	3,150	3,000	+5
Food Slicers	533	523	+2
Frypans/Skillets	2,872	2,709	+6
Griddles/Quick Grills	674	661	+2
Hotplates & Buffet Ranges	811	803	+1
Ice Cream Makers	1,293	1,306	−1
Ice Crushers	188	188	N.C.
Irons (total)	10,149	10,340	−2
Steam & Steam/Spray (total)	9,602	9,795	−2
Standard	8,045	8,380	−4
Full-Feature Lightweight	1,557	1,415	+10
Automatic Dry	350	350	N.C.
Travel	197	195	+1
Juice Extractors	21	20	+5
Omelet Pans	254	254	N.C.
Slicing Knives	1,743	1,692	+3
Slow Cookers	5,867	5,641	+4
Toasters (total)	9,174	8,916	+3
Two-Slice	4,576	4,567	+1
Four-Slice	1,752	1,752	N.C.
Toaster-Ovens (without broilers)	879	888	−1
Toaster-Ovens (with broilers)	1,921	1,700	+13
Waffle Irons/Sandwich Grills	1,175	1,119	+5
Woks	578	578	N.C.
Yogurt Makers	609	641	−5

Figures shown less last three 000's

Outdoors

BARBECUE GRILLS

	1980	1979	% of Change
Total	11,700	11,098*	+ 5
Gas	1,486	1,327	+ 12
Electric	139	136*	+ 2
Charcoal (total)	10,075	9,635*	+ 5
Braziers	1,111	1,100*	+ 1
Fireplace	8	8*	N.C.
Hibachis	2,493	2,330	+ 7
Picnic Grills	3,638	3,602	+ 1
Smokers	2,580	2,345	+ 10
Wagons	245	250*	-2

*Revised

SNOW THROWERS

	1980	1979	% of Change
Walk-Behind (total)	1,245	1,082	+ 15
Single-Stage	870	784	+ 11
Two-Stage	375	298	+ 26

LAWN CARE

	1980	1979	% of Change
Total	13,949	14,064	-1
Line Grass Trimmers	7,685	7,250	+ 6
Power Mowers (total)	6,264	6,814	-8
Powered Walk-Behind	5,299	5,760	-8
Riding	747	812	-8
Garden Tractors	218	242	-10

Figures shown less last three 000's

Reaching a total of 1.2 million units, snow throwers ring up the biggest gain—15%—in the outdoor category.

Single-stage models near the 900,000-unit mark with an 11% increase and two-stage snow throwers hit the 375,000-mark with a 26% gain seen.

Power shovels, a new item joining the category late in 1979, are expected to further heighten the snow-clear-away market. While no figures are available yet for these items, they will be awaited with interest and reported as soon as possible.

Gas a factor in grill rise

Buoyed by increases projected for gas units; the barbecue grill market is seen up 5%.

With a 12% gain in unit shipments forecast for 1980, gas grills approach the 1.5 million count.

Total charcoal grills are seen up 5%, with smokers chalking up a 10% increase, passing the 2.5 million-mark.

Hibachis near the 2.5-million mark with a 7% gain projected; picnic grills and braziers are slotted for a 1% increase each; fireplace grills are expected to stay at 8,000 units and wagons are set to roll down with a 2% decrease seen.

Lawn care cuts just under 1979

The lawn care category is set at 1% behind 1979 unit shipment totals.

With a 6% increase projected, line grass trimmers go over 7.5 million mark.

However, the outlook for power mowers brings this category under last year's standing.

"Eight" is the unlucky number here, with an 8% decrease projected for the over-all power mower market and again in the walk-behind and riding segments.

Garden tractors are forecast down 10% in unit shipments.

One of the factors to be considered for this forecast is the uncertain economy. Power mowers may be considered a deferrable purchase, unlike coffeemakers or toasters; if it breaks down, an immediate replacement is not as necessary. Also, being a higher-priced item, it is economical to have a power mower repaired, even allowing for the inflated cost of labor.

Another factor for the projected downtrend in power mowers might be the still unsettled safety standards which the Consumer Product Safety Commission has had in the works for at least the past five years. ●

Personal Care

PERSONAL CARE

	1980	1979	% of Change
Total	63,808	60,637	+ 5
Bathroom Scales (total)	8,629	8,106	+ 6
Regular	7,681	7,316	+ 5
Digital	948	790	+ 20
Bed Coverings	5,740	5,125	+ 12
Curling Brushes	1,663	875	+ 90
Curling Irons			
Styling Wands	6,786	6,463	+ 5
Dry	4,381	4,075	+ 8
Mist	2,405	2,388	+ 1
Facial Saunas	561	550	+ 2
Foot Baths	428	400	+ 7
Hair Dryers (total)	18,541	18,488	N.C.
Pistol	12,880	12,267	+ 5
Styling	4,680	5,200	-10
Hard Top	523	539	-3
Soft Bonnet	458	482	-5
Hair Setters (total)	2,643	2,382	+ 11
Dry	652	604	+ 8
Mist	1,991	1,778	+ 12
Heating Pads	4,223	4,100	+ 3
Makeup Mirrors	1,698	1,633	+ 4
Hand-Held Massagers	872	830	+ 5
Shower Massagers	2,036	1,885	+ 8
Nail Care Devices	1,259	1,325	-5
Oral Hygiene			
Devices (total)	1,733	1,650	+ 5
Water Pulsators	1,193	1,126	+ 6
Electric Toothbrushes	540	524	+ 3
Shavers (total)	6,173	5,960	+ 4
Men's	4,862	4,675	+ 4
Women's	1,311	1,285	+ 2
Skin Cleaners, Face & Body	823	865	-5

Figures shown less last three 000's

"Looking good and feeling good" or vice versa may well be the motto for the 1980s. Certainly there is little local, national or international news that sends you off with a smile in the morning. The desire to feel better when, like Chicken Little one feels the sky is falling, means looking better. That attitude is reflected in the 5% increase projected for personal care this year.

Alphabetically, as well as actually, a good place to start getting into shape is weight or waist watching which bodes well for scales.

Total units of bathroom scales are seen up 6% over 1979. While the regular type still accounts for the bulk of this category, digital scales are moving up. The 20% increase forecast will put them near the 950,000-mark.

While no change is seen for the total hair dryer category, a 5% increase is forecast for pistol dryers—a group which includes both standard and compact models. Industry sources noted that most of the growth would be from sales of the latter units.

Of the total hair dryer market which has matured at around the 18.5 million-unit level—a healthy size—pistol types account for almost 13 million units, and are the only gainers seen this year. Styling dryers are projected down 10%, slipping below the 5-million mark; hard top and soft bonnet models, which together account for under one million units, are seen down 3% and 5%, respectively.

Curls are in

Mirroring today's hair styles—the preppie look which includes soft, feathery curls and sleek page boys—along with the busier schedules of women as they join the working world in ever increasing number, campaign for candidates or issues such as ERA, and still carry on as homemakers, curling irons/styling wands and hair setters, along with a newcomer, curling brushes are projected ahead.

Accounting for the most units are curling irons/styling wands—a 5% jump takes them to the 6.8-million point. Most of this gain is in the dry segment (seen up 8%), due in part to the lower-priced name brand units which have been placed on the market to compete for the share formerly dominated by secondary suppliers and low-end imports.

A healthy 11% increase is projected for hair setters, here the mist units corner the market by a three-to-one ratio. A big factor in the 8% gain forecast for the dry units may well be the introduction of compact hair setters, such as Clairol's Set-A-Way, which can be easily carried in a brief case, as well as a pullman bag, or stowed in a desk drawer for a very quick set if one is caught in the rain before that "big" meeting.

Curling brushes almost double in volume with a 90% increase projected. This brings the new entry to 1.7 million units—not bad for a beginner.

Action up in oral hygiene

Another area where action is predicted brisk for this year because of new manufacturers entering the field as well as new products reaching the marketplace is the oral hygiene device sector. Water pulsators are seen 6% ahead and electric toothbrushes, up 3%.

With 1980 forecasts for increases of 5% or better are bed coverings (automatic blankets), 12%; shower massagers, 8%; foot baths, 7% and hand-held massagers, 5%.

Those having projections under 5% are total shavers, 4% (men's 4% and women's 2%); makeup mirrors, 4%; heating pads, 3% and facial saunas, 2%.

The only two sub-categories slotted for losses are nail care devices and skin cleaners, each down 5%.

At this point, the personal care industry appears to be a pretty picture for the year. ●

Non-Electrics

NON-ELECTRICS

	1980	1979	% of Change
Total	61,561	55,827	+ 10
Canister Sets	4,385	4,060	+ 8
Dish Drainers	7,108	6,521	+ 9
Ice Buckets	1,301	1,275	+ 2
Organizers	32,911	29,125	+ 13
Soap Dishes	3,035	2,975	+ 2
Wastebaskets	12,821	11,871	+ 8

Figures shown less last three 000's

One is tempted to want to call this category a "catch all" but considering the multitude of items that could be included in such a grouping, the products tracked here by *Merchandising* barely scratch the surface.

Nevertheless, this assortment of very basic items is a good forecaster for the entire non-electric housewares market and the direction is upward across the board, with an overall gain of 10% projected.

Organizers of all types, made of plastic or metal and sometimes a combination of the two, for example plastic-over-wire baskets and grids, top this category. They are slated for a 13% gain, a total of almost 33 million units.

In second place are dish drainers projected 9% ahead of last year. This may be indicative of the fact that at least some people are not running the dry cycle on their dishwashers but rather unloading them after the final rinse to air dry the dishes. Perhaps a minor energy-saving practice but with the high cost of utilities in most parts of the country, every little bit helps.

Both canister sets and wastebaskets are expected to rise by 8%. This will bring the total for waste baskets near 13 million units and for canister sets, close to 4.4 million.

Soap dishes pass the 3-million mark and ice buckets the 1.3-million mark, each with a 2% gain seen.

Colors preferred

Many of these products are purchased for either the kitchen or the bathroom. Color preferences indicated in the most recent Marketing Research Study of Housewares Mfrs., published by the NHMA, show almond, white and yellow are in win, place and show positions in the kitchen, while white, brown and and blue capture these spots in the bathroom.

The outlook for these half dozen non-electric products—as a bellwether for the industry—gives credence to the saying that the housewares business is recession resistant. •

Product-by-Product Index

A

Amplifiers 44
Autosound 44

B

Bag Sealers 53
Bakeware 52
Barbecue Grills 54
Bathroom Scales 54
Black & White TV 46
Blank Tape, Audio 42
Blank Tape, Video 44
Blenders 53
Broilers 53
Buffet Ranges 53

C

Calculators 48
Canister Sets 55
Can Openers 53
Carpet Sweepers 52
Car Speakers 44
Cartridges 44
Cassette Recorders 42
Citizens Band Radios 42
Clock Radios 42
Clocks 51
Clothes Dryers 40
Coffee Grinders 53
Coffeemakers 53
Color TV 46
Compact Laundry 40
Compact Refrigeration 40
Compact Stereo 42
Cookware 52
Cornpoppers 53
Countertop Convection Ovens 53
Crepe Pans 53
Curling Brushes 54
Curling Irons 54

D

Deep Fryers 53
Dehumidifiers 38
Digital Watches 48
Dish Drainers 55
Dishwashers 40

E

Egg Cookers 53
8-Track Players/Recorders 42
8-Track Decks 44
Electric Bed Coverings 54
Electric Fondues 53
Electric Slicing Knives 53
Electric Toothbrushes 54
Electronic Air Cleaners 38

F

Face & Body Skin Cleaners 54
Facial Saunas 54
Fans 51
Fire Extinguishers 52
Floor Polishers 52
Food Mixers 53
Food Processors 53
Food Slicers 53
Food Waste Disposers 40
Foot Baths 54
Freezers 40
Frypans 53

G

Griddles 53

H

Hair Dryers 54
Hair Setters 54
Hand-Held Massagers 54
Headphones 44
Heaters 51
Heating Pads 54
Hifi Components 44
Hotplates 53
Humidifiers 51

I

Ice Buckets 55
Ice Cream Makers 53
Ice Crushers 53
Intrusion Systems 52
Irons 53

J

Juice Extractors 53

L

Language Translators 48
Lawn Mowers 54
Line Grass Trimmers 54

M

Makeup Mirrors 54
Microcassette Recorders 42
Microwave Cookware 52
Microwave Ovens 38
Multiband Radios 42

N

Nail Care Devices 54
Non-Video Games 48

O

Omelet Pans 53
Open Reel Tape Decks 44
Oral Hygiene Devices 54
Organizers 55

P

Personal Computers 48
Portable Tape Recorders 42
Pre-Amplifiers 44
Pressure Cookers 52
Projection TV 46

Q

Quadmodes 42
Quick Grills 53

R

Radar Detectors 48
Radios 42
Ranges 38
Receivers 44
Refrigerators 40
Room Air Conditioners 38

S

Sandwich Grills 53
Scanner Radios 42
Shavers 54
Shower Massagers 54
Skillets 53
Slow Cookers 53
Smoke Detectors 52
Smoothtop Ranges 38
Snow Throwers 54
Soap Dishes 55
Speakers 44
Styling Wands 54

T

Tape Decks 44
Telephone Answering Devices 48
Telephones 48
Toasters 53
Toaster/Ovens 53
Trash Compactors 40
Tuners 44
Turntables 44
TV Games 46

V

Vacuum Cleaners 52
Vaporizers 51
Video Cameras 46
Videocassette Recorders 44

W

Waffle Irons 53
Washers 40
Wastebaskets 55
Water Pulsators 54
Weather-Band Radios 42

Y

Yogurt Makers 53

Prerecorded Videocassette Report

VIDEO OUTTAKES

"The largest introduction effort that RCA has ever undertaken" will be applied to its SelectaVision VideoDisc system, according to **Jack Sauter,** vice president and general manager, **RCA Consumer Electronics** in announcing that **Leo Burnett USA,** a Chicago based agency, will handle national advertising when the new player is introduced early next year. Burnett has handled advertising for RCA tv and VCR products since February 1976. All media will be used to promote the product, Sauter said. . . .

Meanwhile, **Audrey Griffin,** formerly director of marketing services for WNET in New York, was named director of special programs for SelectaVision VideoDiscs. And **Howard Ballon,** formerly with Random House and Warner Communications, was named manager, market planning for SelectaVision. . . .

Magnetic Video has signed on **ABC Video Enterprises** and the **National Collegiate Athletic Assn.** (NCAA) as program suppliers. Agreement makes MV the sales and marketing organization for ABC Video, at least for a large part of the network's library of video programs directed at the home video market. . . .

Patrick McEntree was named producer of video products at **Sony Video Products.** Formerly staff producer at Corporate Video Service Co., New York, McEntree will produce video programs for Sony. . . . Sony Video also named Tom Sherer its new western regional manager for marketing development, based in Sony's Compton, CA office. . . .

Media Home Entertainment has signed a videotape manufacturing agreement with **Videocomm,** Toronto, Canada, for the Canadian company to duplicate MEDA's videocassettes in Canada. MEDA is setting up distribution in Canada to market titles in four categories: Feature films, music and rock concerts, animated features, and adult programs. MEDA expects to make more than 90 titles available in the Canadian market. . . . MEDA has released "High Velocity," starring Ben Gazzara and Britt Ekland, in Beta and VHS formats. . . .

EMI Videograms has acquired worldwide rights to "Rock Justice," the rock concert recorded at San Francisco's Old Waldorf last November. It's expected to be the first rock show developed for videodisc, says EMI. . . .

Although originally billed as a consumer show, Videospace 1980 **(Rising Starr Productions,** Seattle) has set aside one room for professional video exhibits. It's set for July 25-26, 1980 at the Seattle Center-North Court. . . .

Warner WCI Home Video reportedly is looking into the mail-order business for cassettes and discs. The study, which should be completed by year's end, is being directed by **Paul Eisele,** a full-time Warner consultant and former Time-Life Video Club executive. . . .

JVC will move its U.S. operation from Maspeth (Long Island), NY to Moonachie, NJ by the end of this year. . . .

The mass market potential for RCA's SelectaVision player is at least as great in Europe as it is in the U.S., says **Herbert Schlosser,** executive vice president of RCA. He said RCA is committed to the European market and "technical development work has been underway for many months." . . .

TDK Electronics is forecasting total blank videocassette sales this year at 17 million units. "This is the figure we arrived at based on VCR sales and field sales reports from our dealers," says **Ed Pessara,** TDK video products manager. He also said a growing number of camera stores are handling blank videotape. . . .

Harvey Schein, an executive vice president of Warner Communications, has been named president and chief executive of Polygram Corp., the U.S. subsidiary of the Polygram Group, a joint venture of Siemens and Philips, involved in music publishing, filmmaking and recorded music, and eventually—home video. Schein, a lawyer and former CBS executive, had also been chief executive of the Sony Corp. of America before joining Warner in 1978. . . .

Video Corp. of America has acquired most of the assets of Inovisions's videocassette duplicating laboratory in Dallas. VCA chairman **George Gould** said his company will begin using this facility immediately for its expanding duplicating needs, primarily to serve southwestern area markets, "where the use of video for industrial communications has been growing steadily." The lab will be operated as **Teletronics-Texas Inc.,** a subsidiary of VCA, headed by **Tom DeMaeyer,** a VCA vice president and general manager of Teletronics Video Services in Chicago. VCA also operates video labs in Chicago and Leonia, NJ. . . .

The **Videocassette Rental Club** has acquired the rights, from Films Inc., to distribute seven programs in the home video market, including "The Shout," and "The Thief of Baghdad," with Peter Ustinov. The five remaining are children's programs which include two Mr. Rogers' Neighborhood specials. . . .

The **Nostalgia Merchant** in Hollywood has put together new promotional video clips and trailers from its top selling titles as well as new releases for in-store promos. . . .

Rita Hohn was named marketing support administrator for **ABC Video Enterprises' Video Sales Division.**

Home Theatre/Visual Concepts Inc. is distributing a one-hour videocassette called "Once Upon A Wheel" starring Paul Newman, but with other movie and music stars, and racing drivers. . . .

Capitol Records will distribute EMI feature films and concerts on videocassettes starting in June, all priced at $49.95. . . . •

Magnavox expands its videodisc players to 8 more markets

FT. WAYNE, IN—Magnavision videodisc players will be sold in eight additional markets by mid-May, bringing to 16 the number of markets in which the systems are available in the U.S.

The new markets are St. Louis, Tampa, Denver, Detroit, Portland, Cincinnati, Kansas City and Knoxville.

Current markets are Atlanta, Seattle, Dallas, Phoenix, Cleveland, Minneapolis-St. Paul, Pittsburgh and Buffalo.

Magnavision is expected to be available in most major marketing areas in the country by the end of 1980, covering 65% of all television households.

Kenneth Ingram, senior vice president, sales and marketing, Magnavox Consumer Electronics, said, "Our research of initial Magnavision buyers indicates that videodisc players will appeal to those persons we term 'quality minded' consumers."

Key role of stereo

The research also indicates that stereo capability will play a key role in consumer buying decisions regarding videodisc systems, Ingram added. "Since we know that 90% of our current Magnavision owners also own stereo hifi equipment, we feel most videodisc system buyers will want the stereophonic sound capability available only with the Magnavision optical videodisc player."

Ingram also said that the recent announcement by MCA DiscoVision, which makes optical videodiscs, of the acquisition of rights to music programming by popular artists Abba, Elton John, Loretta Lynn, Olivia Newton-John and Helen Reddy indicates increased stereo music programming will eventually be available to purchasers of the optical videodisc player.

ABC Video signs pact with BBI of Boston

NEW YORK—ABC Video Enterprises has reached an agreement to distribute for non-broadcast use a variety of programming produced by BBI Communications Inc., of Boston, a leading producer of health, children's and community and public affairs programming, and originators of the broadly syndicated "The Baxters."

Merchandising's TOP 50

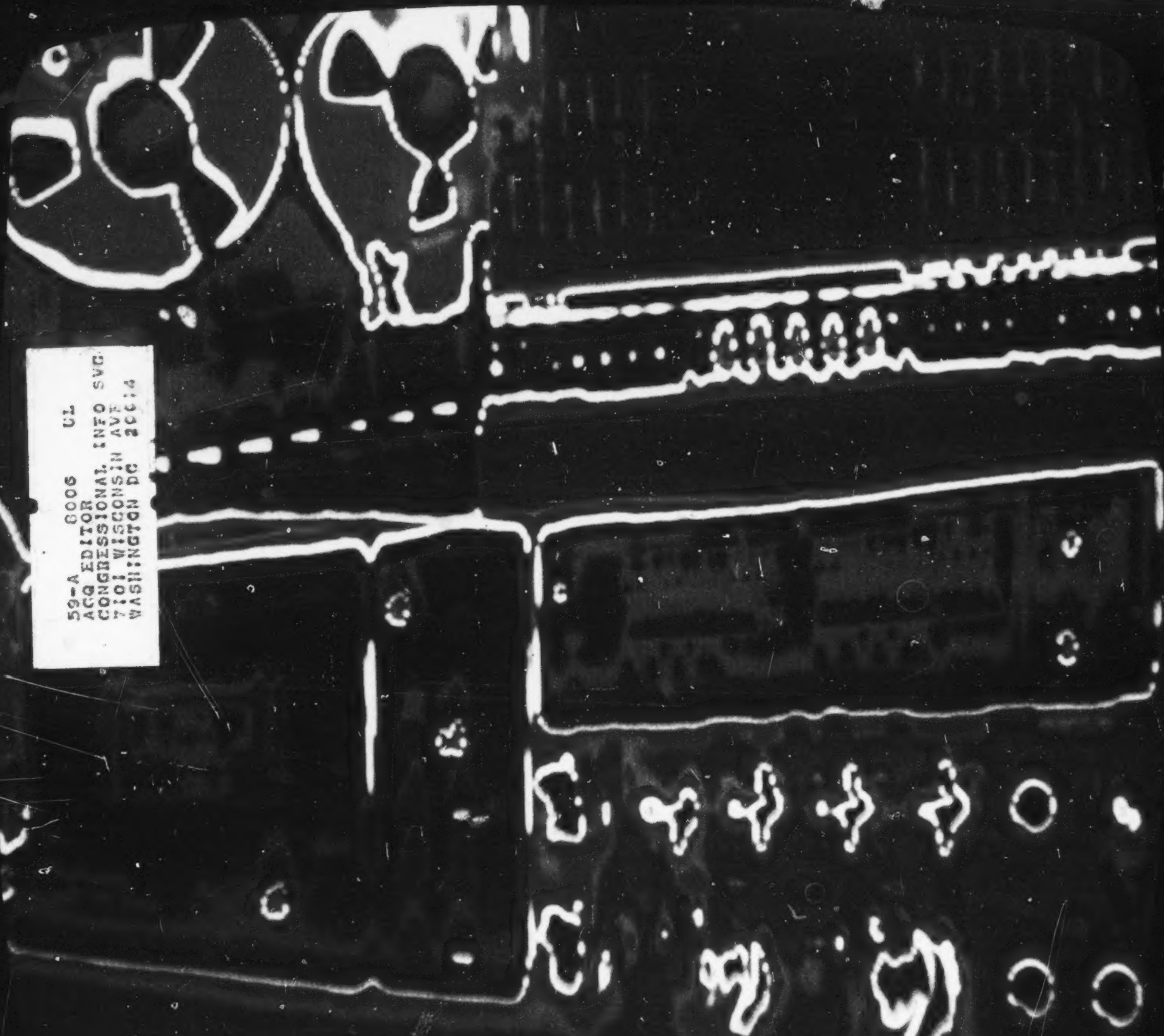
	Last month's position	Months on chart
1. Superman	1	3
2. The Godfather	2	10
3. Grease	4	2
4. Blazing Saddles	3	2
5. Saturday Night Fever	6	10
6. Enter the Dragon	N	1
7. The Godfather II	5	7
8. M*A*S*H*	11	19
9. Dirty Harry	8	2
10. Heaven Can Wait	7	2
11. Oh God!	N	1
12. All the President's Men	13	2
13. The Sound of Music	15	14
14. Butch Cassidy & the Sundance Kid	9	7
15. The Exorcist	10	2
16. The In-Laws	N	1
17. Patton	22	19
18. Foul Play	19	2
19. Silver Streak	18	2
20. Looking for Mr. Goodbar	14	7
21. Harold & Maude	12	3
22. Deliverance	N	1
23. The Longest Yard	33	4
24. Marathon Man	16	6
25. Night of the Living Dead	38	11
26. The Deep	29	3
27. Hooper	N	1
28. Bruce Lee-Super Dragon	17	17
29. The Graduate	21	16
30. Barbarella	36	7
31. The African Queen	24	10
32. Chinatown	20	4
33. Murder on the Orient Express	23	7
34. Tora! Tora! Tora!	40	19
35. Death Wish	30	4
36. The Adventures of Sherlock Holmes' Smarter Brother	37	5
37. King Kong (New)	26	3
38. Pretty Baby	28	4
39. The King & I	11	19
40. The Longest Day	42	19
41. Love Story	46	6
42. Nashville	27	5
43. The Shootist	39	4
44. French Connection	25	19
45. The Man Who Would Be King	N	16
46. Hello Dolly	32	19
47. Carnal Knowledge	31	16
48. Papillon	N	16
49. The Dutchess & the Dirtwater Fox	48	6
50. A Touch of Class	34	10

formerly Merchandising Week
A GRALLA PUBLICATION
JUNE 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

6/23/80 C 4200-1 U



59-A 6006 UL
ACQ EDITOR
CONGRESSIONAL INFO SVC
7101 WISCONSIN AVE
WASHINGTON DC 20014

The Electronics Art – Harder Sell for High Technology

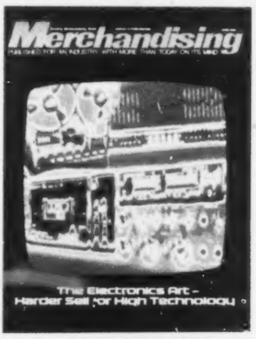
Formerly Merchandising Week

Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

June 1980



Overviews 25

Consumer electronics sales will blow hot and cold between now and year's end. It depends on what you're selling.

Color tv sales will dip to about 9.4 million units in 1980, according to manufacturers, while black-and-white will stay pretty flat. Based on surprisingly strong first four months that saw annualized VCR sales jump to an 800,000-unit rate, manufacturers have raised their sales projections for this year to just under 600,000 units, a big jump over '79.

There's also audio/hifi sales for the most aggressive of dealers, and plenty of action in personal electronics.

The electronically-generated artwork on our cover this month was supplied by New Orient Media of Dundee, IL.

Prerecorded Videocassette Report 61

Manufacturers and distributors of prerecorded videocassettes expect sales to increase substantially this year, boosted by healthy VCR sales. There's no consensus on the extent of growth, but most expect sales in the second half of the year to exceed the first half, with producers predicting anywhere from a 10% to a 350% increase in their business.

Meanwhile, they're gearing up for the second half with a variety of new program offerings.

Merchandising's Top 50 is headed this month by the dealers' choice, the hit movie "10."

close-up 101

Recently promoted Walter W. Williams, General Electric vice president and general manager of its Housewares & Audio Business Div., finds he's in a "very positive arena" and he likens retailers' product selections to good portfolio management.

Retail Opinion File 90

When *Merchandising* went out to survey retailers, we found them something less than ebullient about second-half prospects. Even those dealers who are expecting gains in the next six months are expressing caution, saying they'll watch their inventory closely and continue to buy conservatively.

As one dealer told us: "It's time to live off my fat until conditions warrant expanding again."

Trendings 6

- Major appliance sales are slowing, but strong promotions still yield gains for some retailers.
- Non-electric housewares buyers expect "outdoor fun" products to get the bulk of June business.
- Electric housewares' "second season" starts with regional differences in hot items.
- Personal electronics dealers will shop CES as usual, but will buy cautiously.
- Video entertainment retailers brace for a rough second half, but one not without bright spots.
- Audio/hifi dealers will be looking for all the help they can get at CES.

Happenings

- Microwave oven, food and utensil industries need uniform terminology and testing procedures to grow, IMPI sessions hear 94
- Shepherd urges appliance/tv dealers at Sylvania's national sales meeting to rise to the challenge of the new video phenomenon..........94
- **PULSE**—Room air conditioner dealers are playing it cool and cautious as they wait for the onset of hot weather 96
- Quasar expects higher prices, plus gains in other electronics, to offset declines in tv..........97
- RCA previews "final design" of SelectaVision VideoDisc player, unveils two "surprise" features..98
- Amana expands its built-in range lines in a bid to capitalize on the upsurge in remodeling jobs 98
- Total housewares sales for 1979 rise 15.6%, well ahead of the year's inflation rate, NHMA finds...99
- Zenith distributors see for the first time the Video Sentinel, a tv home surveillance system, and the Space Phone, a telephone/tv link-up 100

Store Operations 69

Stephanie Shern, in her regular "Minding the Store" column, says advertising costs represent one of the largest single expenses facing stores. She advises retailers to carefully monitor four key areas to control these costs: The contract between the retailer and his ad agency; co-op ad arrangements with vendors; cash flow of ad expenses; and out-of-pocket ad production costs.

Maxine Jaffe analyzes the ways by which three Manhattan housewares boutiques solve the problem of displaying a profusion of merchandise in total floor space ranging from 1,000 to 1,500 sq. ft.

From the Capital 4

Despite the settlement hammered out by the Administration and television importers, the issue of how accessible the U.S. market should be to Asian producers is sure to be a hot one in Washington this summer. Proponents of curbs on imports face an uphill battle.

Coming In July

★ ***Major manufacturers offer their second-half outlook for electric and non-electric housewares.***
★ ***Housewares "Trendings" columns analyze retail prospects.***
★ ***Expanded NHMA Exposition product showcase.***

Product Picture

Electronics 72-85
Major Appliances 86
Housewares...88

A GRALLA PUBLICATION
VOL. 5, NO. 6 JUNE 1980
Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial
& marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-588-7622)
Editor...................Ron Schneiderman
Executive Editor.......Fred Gottesman
Associate Editors:
Lois A. Panosh
Jack Blood (Chicago)
Assistant Editor............Joyce Jarcho
Field Editors..............Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate.......Selma Book
Art Direction.................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Robert Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Miami, FL,** Ronald Reichart; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA.** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; Portland, OR, Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/
SALES SERVICES
Director.....................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
...........................Susan Benvenuto
Assistant Production Manager
.....................................Vicki Lauro
Circulation Director....James Fischer

Circulation Manager
..............................Marie Kowalchuk
Classified Manager.......Nancy Leffler

Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to MERCHANDISING, 1515 Broadway, New York, N.Y. 10036. Change-of-address notices should be sent promptly, provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Merchandising's TOP 50

		Last month's position	Months on chart
1.	"10"	N	1
2.	Superman	1	4
3.	Grease	3	3
4.	Blazing Saddles	4	3
5.	The Godfather	2	11
6.	M*A*S*H	8	20
7.	Saturday Night Fever	5	11
8.	Enter the Dragon	6	2
9.	The Godfather II	7	8
10.	Halloween	N	1
11.	Patton	17	20
12.	Sound of Music	13	15
13.	Butch Cassidy & the Sundance Kid	14	8
14.	Dirty Harry	9	3
15.	All the President's Men	12	3
16.	Heaven Can Wait	10	3
17.	Oh God!	11	2
18.	Silver Streak	19	3
19.	Wild Bunch	N	1
20.	The Graduate	29	17
21.	The In-Laws	16	2
22.	Foul Play	18	3
23.	Hooper	27	2
24.	The African Queen	31	11
25.	Midnight Express	N	1
26.	Barbarella	30	8
27.	Towering Inferno	N	1
28.	The Omen	N	1
29.	The Exorcist	15	3
30.	French Connection	44	20
31.	Deliverance	22	2
32.	Harold & Maude	21	4
33.	Hello Dolly	46	20
34.	The Adventures of Sherlock Holmes' Smarter Brother	36	6
35.	The King & I	39	20
36.	Chinatown	32	5
37.	The Longest Yard	23	5
38.	Marathon Man	24	7
39.	The Deep	26	4
40.	Tora! Tora! Tora!	34	20
41.	Looking For Mr. Goodbar	20	8
42.	The Night Of The Living Dead	25	12
43.	The Duchess & the Dirtwater Fox	49	7
44.	Emmanuelle	N	1
45.	Death Wish	35	5
46.	The Shootist	43	5
47.	The Lion In Winter	N	13
48.	Murder On The Orient Express	33	8
49.	Paper Chase	N	16
50.	Fantastic Voyage	N	17

Retail Opinion File

Prescriptions for survival?

Retailers wary about second half, cut open-to-buy

Retailers of consumer electronic products are something less than ebullient about second-half prospects as they approach the Summer CES, according to this month's Retail Opinion File.

Even among those dealers who are expecting sales gains in the next six months, their optimism is being tempered by the expressed need for caution: The bywords are "buy conservatively" and "watch your inventory."

As an Arizona operator of two stores says, "We're watching our inventory levels very carefully and are dropping some slow lines." Although his open-to-buy is unchanged from 1979, he says he will be dropping some hifi and VCR brands.

And while still on an upbeat note, a California audio dealer tells *Merchandising*, "Our projections for 1980 are optimistic, although most of the increases in dollar sales will come from video, personal electronics and some new categories."

Included in the product lines he will be taking on for the first time are electronic games, personal computers and calculators.

In sharp contrast to repsondents to last year's questionnaire, only 37% are now predicting an increase in their second-half sales, compared to 79% in 1979. Thirty-six percent are saying business will be unchanged, versus 16% a year ago; and 27% see declines, against a meager 5% before.

Explaining his pessimistic view, a Washington tv/stereo retailer declares, " We are expecting the second half to really shake the tree. The slowdown is already evident with major purchases."

While a West Coast appliance/tv dealer adds, "The first quarter was the pits. Layoffs and high gasoline prices are just too prevalent in our area."

Reflecting this more somber perspective of the next six months, inventory and open-to-buy positions have also changed from the ones described in last year's pre-Summer CES Retail Opinion File.

The status of current inventories is reported to be below average in a majority of the product grouping (with last year's comparable percentages in parentheses):

Autosound 30% (29%); color tv 40% (36%); compact stereo 44% (42%); hifi 41% (25%), and VCR—the only exception—42% (48%).

The above-average positions are autosound 18% (10%); color tv 17% (13%); compact stereo 6% (11%); hifi 9% (16%), and VCR 15% (13%).

As for open-to-buy, just 13% of the current respondents say they will be heavier than last June, whereas 47% held that position at that time. Eighty-seven percent report they are attending the show with their open-to-buy even to off compared to 53% in 1979.

Among the products being exhibited at the show, most retailers will be looking for hifi components (67% vs 52%), autosound (65% vs 50%), VCR (55% vs 61%), audio blank tape (54% vs 47%), video blank tape (51% vs. 63%), and audio accessories (51% vs. 41%).

As for those who intend to add new products, add new brands or drop old ones, changes are marginal compared with last year.

However, there is no denying that the mood of most retailers answering this month's questionnaire is much less optimistic than last year's. And many were quick to offer their prescriptions of how to avoid the pitfalls they see in the months ahead.

A Nebraska audio dealer says his store's strategy is to add projection tv and VCR brands, and adds, " We will go for six turns instead of the 4½ we did in '79. We're cutting the number of hifi lines, and on the ones we keep, we'll do more cherry-picking."

"We intend to maintain or increase gross sales with 15-25% less inventory. We plan to increase gross margin by using more packages and putting less emphasis on short-margin, high demand product," states a fellow dealer in New England.

"Bread-and-butter items only: This is no time to experiment," says an Iowa appliance/tv dealer, adding, "Don't lose good salesmen; you won't be able to replace them."

"Watch your cash flow," warns another.

And an electronics store owner in Minnesota offers, "We're going on a computer. Costs of floor planning and interest demand it."

Declares a Tennessee audio merchant: "We are committed to keeping our accounts payable as low as possible. Most of our buying is being done C.I.A., C.O.D. or pro forma."

While a New York appliance/tv dealer says, "I'm ordering for immediate need more often and in small quantities, rather than for the longer term."

"I'm minimizing buying, says the operator of a New Jersey music store. "It's time to live off my fat until conditions warrant expanding again."

But that good things can sometime come from tough situations is demonstrated by the Indiana dealer who comments, "although our sales are down drastically, our cost of doing business is also down and the store overall is in very good shape." ●

Questionnaire

What change are you expecting in sales for the next six months compared to the second half of 1979?

Up 5-10%	16%
Up 11-20%	12%
Up 21-30%	7%
Up over 30%	2%
Unchanged	36%
Down 5-10%	11%
Down 11-20%	12%
Down 21-30%	4%
Down over 30%	0%

What change do you expect in your open-to-buy position at CES time compared to last June?

Up 5-10%	4%
Up 11-20%	5%
Up 21-30%	2%
Up over 30%	2%
Unchanged	50%
Down 5-10%	10%
Down 11-20%	13%
Down 21-30%	9%
Down over 30%	5%

Which of the following types of products will you be looking for at the Summer CES?*

Audio Accessories	51%
Audio Blank Tape	54%
Autosound	65%
Calculators	24%
CB	16%
Compact Stereo	43%
Console Stereo	12%
Digital Watches	7%
Electronic Furniture	35%
Hifi Components	67%
Personal Computers	32%
Prerecorded Videocassettes	31%
Projection TV	39%
TV Games	27%
VCR	55%
Video Accessories	44%
Video Blank Tape	51%

**Adds up to more than 100% due to multiple answers.*

Do you expect to be taking on any product categories you do not currently carry?

Yes	47%
No	53%

If yes, which do you expect to be carrying for the first time?*

Audio Accessories	2%
Audio Blank Tape	4%
Autosound	5%
Calculators	3%
CB	0%
Compact Stereo	3%
Console Stereo	2%
Digital Watches	1%
Electronic Furniture	3%
Electronic Games	14%
Hifi Components	4%
Personal Computers	21%
Prerecorded Videocassettes	29%
Projection TV	23%
TV Games	14%
VCR	26%
Video Accessories	19%
Video Blank Tape	11%

**Adds up to more than 100% due to multiple answers.*

Among the product categories you now carry, do you plan to take on any new brands?

Yes	53%
No	47%

If yes, in which categories?*

Audio Accessories	9%
Audio Blank Tape	10%
Autosound	40%
Calculators	5%
CB	8%
Compact Stereo	14%
Console Stereo	3%
Digital Watches	4%
Electronic Furniture	14%
Electronic Games	11%
Hifi Components	38%
Personal Computers	11%
Prerecorded Videocassettes	5%
Projection TV	9%
TV Games	10%
VCR	17%
Video Accessories	11%
Video Blank Tape	19%

**Adds up to more than 100% due to multiple answers.*

Among the product categories you now carry, do you plan to drop any brands?

Yes	45%
No	55%

If yes, in which categories*

Audio Accessories	2%
Audio Blank Tape	8%
Autosound	33%
Calculators	11%
CB	18%
Compact Stereo	23%
Console Stereo	4%
Digital Watches	3%
Electronic Furniture	4%
Electronic Games	2%
Hifi Components	45%
Personal Computers	1%
Prerecorded Videocassettes	1%
Projection TV	6%
TV Games	4%
VCR	13%
Video Accessories	2%
Video Blank Tape	4

**Adds up to more than 100% due to multiple answers.*

What do you expect your inventory position will be at CES time for each of the following category groupings?

AUTOSOUND:	
Below Average	30%
Average	52%
Above Average	18%
COLOR TV:	
Below Average	40%
Average	43%
Above Average	17%
COMPACT STEREO:	
Below Average	44%
Average	50%
Above Average	6%
HIFI:	
Below Average	41%
Average	50%
Above Average	9%
VCR:	
Below Average	42%
Average	43%
Above Average	15%

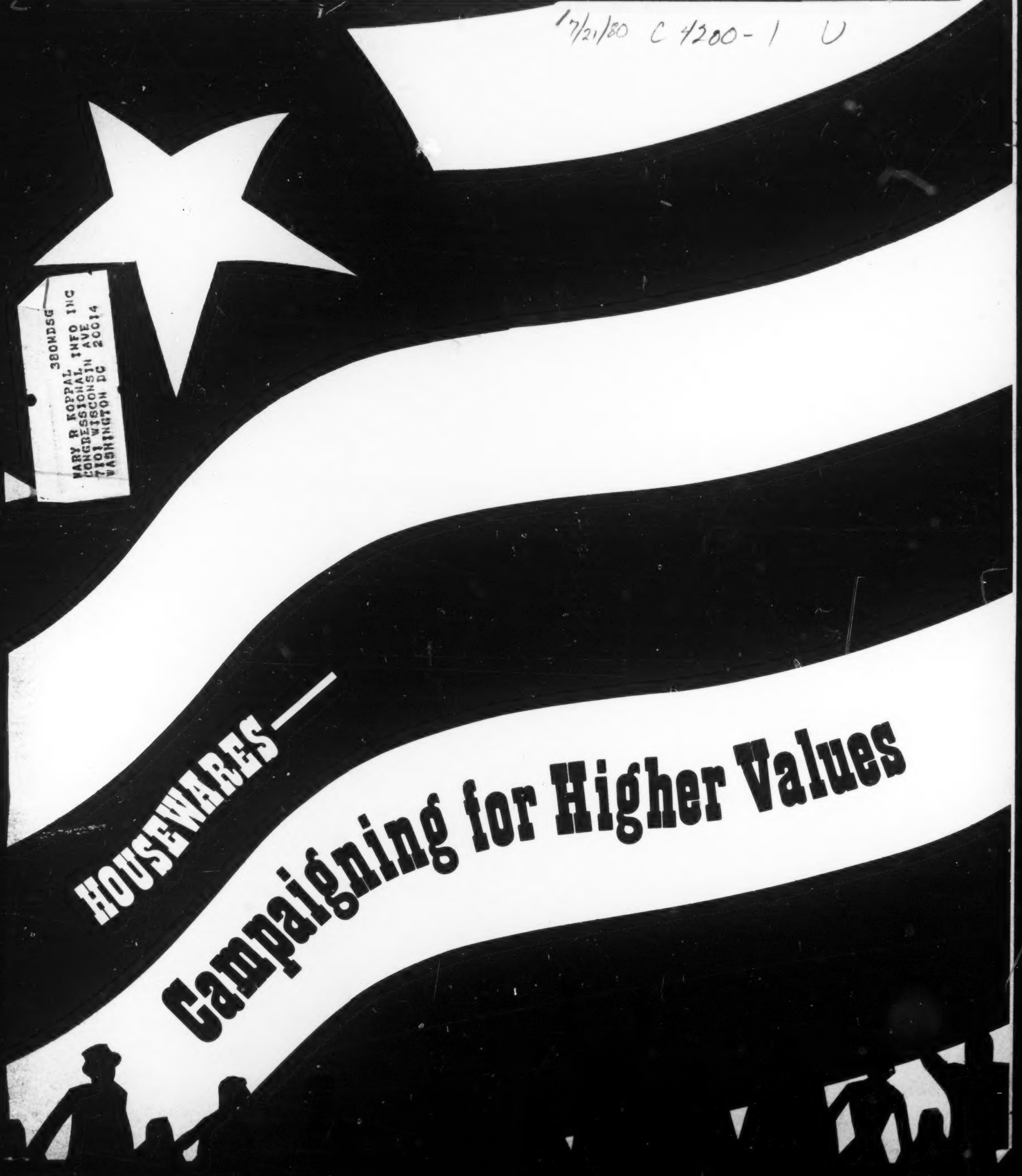
formerly Merchandising Week
AGRALLA PUBLICATION
JULY 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

7/21/80 C 4200-1 U

380MDSG
MARY R KOPPAL
CONGRESSIONAL INFO INC
7101 WISCONSIN AVE
WASHINGTON DC 20014



HOUSEWARES—Campaigning for Higher Values

Formerly Merchandising Week

Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

JULY 1980

Housewares Overviews 21

Recent forecasts suggest there will be an upturn in the economy before the end of the year, justifying the confidence housewares producers have regarding fourth-quarter business.

The only question seems to be, to build—and by how much—or not to build inventory over orders. Manufacturers' answers vary, but each is confident he has found the right formula.

There are new products and, overall, availability looks excellent. Supplies of most raw materials are in good shape and, while costs have not dropped, producers are hopeful mid-year prices will hold.

Overviews were written by Lois A. Panosh, Jack Blood, Bill DeSiena, Eileen Delaney and Ron Schneiderman.

STORE OPERATIONS 64

Merchandising "shrinkage"—the euphemism for internal pilferage and shoplifting—has long been the bane of retailers.

In what seems to be a never-ending struggle with the problem, millions of dollars have been spent on elaborate security services, as well as expensive hardware ranging from closed-circuit tv to sophisticated electronic sensing devices. But retailers are finding ways other than technology to cope with shoplifting and employe theft as you'll read in this month's Store Operations feature.

Stephanie Shern, our "Minding the Store" columnist, offers some tips on reducing energy costs in stores.

close-up 43

Stanley C. Gault, Rubbermaid's new chief executive, has come home to Wooster, OH. In an exclusive interview, he tells Lois A. Panosh that while he plans no "dramatic and drastic changes ... there'll be variations on the theme" that has made the company successful. Productivity improvement is an area he'll emphasize.

Retail Opinion File 60

Response to this month's Retail Opinion File shows that housewares buyers' second-half outlook has dimmed substantially, especially when compared with the way they viewed their prospects a year ago. Open-to-buy positions for the balance of the year reflect this ebbing confidence. Only 22% of respondents are planning an increase in their open-to-buy for the next six months, versus the 55% who were of that opinion prior to last July's show. These buyers will be shopping the show very carefully.

Trendings 6

- Major appliance dealers find sales spotty, varying by product and section of the country.
- Video entertainment sales respond well to heavier promotions, but gross margins slip as a result.
- Audio/hifi industry still trying to get its act together, working harder to sell more.
- Personal electronics retailers poised for upswing carried by back-to-school promos.
- Electric housewares buyers ready fall campaigns, look to basics for best action.
- "Bright and shiny" non-electric housewares expected to carry second half.

Prerecorded Videocassette Report 80

New top feature and special interest programming, backed by new packaging and p-o-p materials and higher ad budgets, figure to boost dealers' previd sales substantially in the months ahead.

From the Capital 4

FTC plans rewrite of regulations governing what full-warranty manufacturers can require of consumers. Agency is concerned about how rules affect shoppers' choice among competing retailers of same brands; seeks dealer comments.

Happenings

PULSE: Sagging sales and shrinking margins push many retailers to downplay home security category 73
- Firestone Tire and J.L. Hudson discontinue major appliances as trend continues growing 73
- Roitenberg and Lewis see catalog showrooms less affected by recession 74
- DuMont label returns to tv market with nine-model limited-franchise line 75

Coming in August
- ★ *Sixth annual Electronics Statistical & Marketing Report*
- ★ *Hardware retailers ride crest of do-it-yourself wave.*
- ★ *NHMA show coverage.*

CES Coverage 84

Videodisc—the hottest new consumer electronics product (even though it's perhaps the least available at the moment)—was the most talked about "new" thing at the CES last month as most retailers said they could hardly wait to get their hands on a system—any system—to sell.

Hifi action was a little calmer as manufacturers tried to help dealers with new promotional and dating programs.

Product Picture

Electronics 69-72
Housewares 44-59
Major Appliances 68

A GRALLA PUBLICATION
VOL. 5, NO. 7 JULY 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher
Executive offices: 1515 Broadway, New York, N.Y. 10036
Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-463-1102)
Editor ....Ron Schneiderman
Executive Editor ....Fred Gottesman
Managing Editor ....Lois A. Panosh
Associate Editors:
William Silverman
Jack Blood (Chicago)
Assistant Editor ....Bill DeSiena
Field Editors ....Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate ....Selma Book
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Paluto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Ralph Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; **Portland, OR,** Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director ....Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director ....Barry Miller
Production Manager
....................Susan Benvenuto
Assistant Production Manager
....................Vicki Lauro
Circulation Director ....James Fischer
Circulation Manager
....................Marie Kowalchuk
Classified Manager.......Nancy Leffler
Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

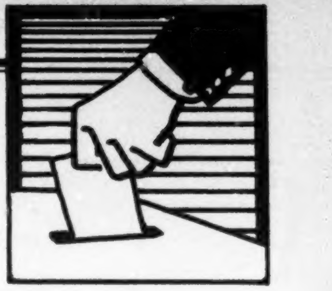
SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to MERCHANDISING, 1515 Broadway, New York, N.Y. 10036. Change-of-address notices should be sent promptly, provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Retail Opinion File



Housewares buyers expect softer second half, schedule cuts in open-to-buy positions

Although most housewares retailers have been reporting strong business for the first half of the year, their optimism has soured somewhat. Buyers' outlook for the second half has dimmed substantially, especially when compared with the way they viewed their prospects prior to last year's July NHMA National Housewares Exposition.

For example, 52% of the respondents to this month's Retail Opinion File said they expected sales gains for the final six months of the year, while 74% had indicated such increases last year. Furthermore, whereas in 1979, 22% of the retailers queried asserted their second-half increases were expected to exceed 15%, only 9% are currently that confident about their second-half business.

Also, 26% of the respondents thought their sales for the rest of the year would be unchanged from last year's equivalent period, while 17% made that prediction about 1979's second half.

As might be expected, open-to-buy positions in housewares for the balance of the year reflect this ebbing confidence. Only 22% of the retailers answering this poll are planning on a bigger open-to-buy than in 1979; this compares with 55% who were of that opinion before the start of last July's show.

As the buyer for an Illinois department store explained, "We are expecting a definite downturn in sales. The heavier stock on hand has reduced our open-to-buy substantially."

And an Oregon discounter added, "It's time to be very selective and lean. It's 'take orders' time."

But a California department store buyer described the dilemma many retailers are finding themselves in today when he said, "Our inclination is to drastically reduce all inventories and run sales. But you can't operate without inventory. It's a very tight rope we're walking on."

However, business for the first six months of 1980 has been better than many merchants had anticipated.

The owner of a housewares store in Michigan flatly stated, "We expect second-half sales to be near our first half, which was ahead 34%. I believe basics will do very well."

"We had a terrific year last year," said the operator of a housewares/hardware store, "and things look like they will be again this year."

While the merchandise manager for a North Carolina department store added, "We're planning for a 6% sales gain this year and we're keeping our stocks up to that level. By paying attention to our best sellers and lower markdowns, we should come out with more gross profit."

Another retailer with a positive outlook, the buyer for a Wisconsin department store, commented: "We are taking an aggressive stand on housewares; it's still our main traffic builder." And he added, "We will be looking for more co-op dollars to back this position."

But even among the most optimistic, retailers were maintaining a cautious attitude. As the operator of an Ohio housewares/hardware store commented, "We're keeping an optimistic but wary eye on the rest of the year."

Another indication of caution is the fact that only 18% of the respondents to *Merchandising's* questionnaire were planning to take on new product categories at the show. This compares with the 29% who were so minded prior to last July's show.

That most retailers were trying to maintain a status quo was also evident from the answers to the question of whether they planned to drop any of the product categories now carried. Eighty-one percent said no, and a very similar 82% were negative on this point last year.

Nevertheless, some buyers weren't quite that positive. An Illinois appliance store manager had this to say: "Discount houses are killing kitchen electrics. We can't even buy items for what they are selling them at, so we're eliminating them." While a discounter in Kentucky moaned, "The only things that look good are food canning and freezer products."

But the majority of retailers answering the Retail Opinion File indicated they would be shopping the show thoroughly—albeit carefully. The focus of most attention was expected to be on non-stick cookware and food processors, with 72% of the respondents listing both on their shopping lists. Tied for second place were toaster-ovens and blenders, according to 68% of those replying. And coffeemakers garnered 67% of the votes for third place.

Hidden in the tabulation of buyers' "shopping lists" was the surprise that non-stick cookware, at 72%, and coffeemakers, at 67%, both registered a whopping 23% gain over last July's balloting. Although food processors, blenders and toaster-ovens also charted increases, they were by 8%, 2% and 2%, respectively.

Microwave cookware experienced the largest decline in popularity, according to the poll, with 58% of the respondents including it on their lists for a 12% drop. The next biggest loser was home security devices which slipped 11 points to 42%.

A few retailers gave a political overtone to their survey responses. Said the owner of a specialty store in Mississippi, "Sales are down and so is our inventory. This slower business is caused by the 'Carter economy'."

But the operator of a housewares store in New Jersey was a bit more upbeat when he pointed out, "We're holding back, awaiting the results of the Presidential elections. We are in a Republican stronghold and a Reagan victory may well mean a post-election surge in business."

However, for most of the housewares industry it won't be necessary to wait for November; the ballots will be cast and the votes tallied at this month's show time. ●

Questionnaire

What changes are you expecting in your sales for the next six months compared with the second half of 1979?

Up 1-5%	9%
Up 6-10%	21%
Up 11-15%	13%
Up over 15%	9%
Unchanged	26%
Down 1-5%	4%
Down 6-10%	9%
Down 11-15%	3%
Down over 15%	6%

What change do you expect in your open-to-buy position at NHMA Show time compared to last July?

Up 1-5%	4%
Up 6-10%	12%
Up 11-15%	2%
Up over 15%	4%
Unchanged	49%
Down 1-5%	2%
Down 6-10%	14%
Down 11-15%	5%
Down over 15%	8%

What kind of products will you be looking for at the show?*

Blenders	68%
Clocks	63%
Coffeemakers	67%
Compact Curling Irons	44%
Compact Hair Dryers	56%
Convection Ovens	56%
Curling Brushes	47%
Food Processors	72%
Home Security Devices	42%
Hot Air Cornpoppers	61%
Lightweight Self-cleaning Irons	58%
Microwave Cookware	58%
Mixers	61%
Non-Stick Cookware	72%
Other Cookware	63%
Plastic Housewares	53%
Scales	53%
Tableware	56%
Toaster Ovens	68%
Vacuum Cleaners	37%

**Adds up to more than 100% due to multiple answers*

Do you expect to take on for the second half any product categories you do not currently carry?

Yes	18%
No	82%

Do you expect to drop any product categories you now carry?

Yes	19%
No	81%

What do you expect your inventory position to be at show time for each of the following categories?

AIR TREATMENT	
Below Average	41%
Average	52%
Above Average	7%
CLOCKS	
Below Average	22%
Average	64%
Above Average	14%
COOKWARE	
Below Average	17%
Average	65%
Above Average	18%
FLOOR CARE	
Below Average	23%
Average	61%
Above Average	16%
HOME SECURITY	
Below Average	30%
Average	56%
Above Average	14%
KITCHEN ELECTRICS	
Below Average	19%
Average	67%
Above Average	14%
NON-ELECTRICS	
Below Average	17%
Average	69%
Above Average	14%
PERSONAL CARE	
Below Average	26%
Average	61%
Above Average	13%

Merchandising's TOP 50

	Last month's position	Months on chart
1. Superman	2	5
2. "10"	1	2
3. Grease	3	4
4. The Godfather	5	12
5. Saturday Night Fever	7	12
6. M*A*S*H	6	21
7. Enter the Dragon	8	3
8. Blazing Saddles	4	4
9. Muppet Movie	N	1
10. The Godfather II	9	9
11. Emmanuelle	44	2
12. Halloween	10	2
13. Animal House	N	1
14. Patton	11	21
15. Dirty Harry	14	4
16. Norma Rae	N	1
17. Sound of Music	12	16
18. Heaven Can Wait	16	4
19. Wild Bunch	19	2
20. Silver Streak	18	4
21. The Graduate	20	18
22. Midnight Express	25	2
23. Butch Cassidy & the Sundance Kid	13	9
24. Tora! Tora! Tora!	40	21
25. All the President's Men	15	4
26. The In-Laws	21	3
27. The Omen	28	2
28. French Connection	30	21
29. Hooper	23	3
30. Smokey & the Bandit	N	1
31. The African Queen	24	12
32. Mr. Bill	N	1
33. Looking for Mr. Goodbar	41	9
34. Barbarella	26	9
35. The Exorcist	29	4
36. Deliverance	31	3
37. Marathon Man	38	8
38. Hello Dolly	33	21
39. Harold & Maude	32	5
40. The Deep	39	5
41. Oh God!	17	3
42. The Adventures of Sherlock Holmes' Smarter Brother	34	7
43. Jaws	N	1
44. Foul Play	22	4
45. Deer Hunter	N	1
46. Chinatown	36	
47. Murder on the Orient Express	48	9
48. Carnal Knowledge	N	17
49. The King & I	35	21
50. Death Wish	45	6

A GRALLA PUBLICATION

AUGUST 1980

Merchandising

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

8/28/80 C 4200-1 U

50-A 0233A 8106 UL
JOE NC NAZLY-CON INFO
SRI ACQUISITION -GVD
7101 WISCONSIN AVE
WASHINGTON DC 20014

6th Annual Electronics Statistical & Marketing Report

NHMA Buyers Call The Shots

Hardware Retailers Ride D-I-Y Wave

BEST COPY AVAILABLE

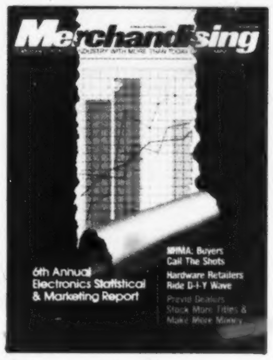
Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

PUBLISHED FOR AN INDUSTRY WITH MORE THAN TODAY ON ITS MIND

AUGUST 1980

6th Annual Electronics Statistical & Marketing Report


Merchandising
6th Annual Electronics Statistical & Marketing Report
NHMA: Buyers Call The Shots
Hardware Retailers Ride D-I-Y Wave

There's a lot more good news than bad in this year's report. Most of the good news is in video and personal electronics; there's little to cheer about in audio and hifi—with few exceptions.

Color tv is running at a better than 9.6 million pace, but most manufacturers are making cautious projections for the year overall. Healthy increases are expected in VCR sales. However, we've revised our hifi unit sales projections downward. As for personal electronics, every category but one will be up.

17

STORE OPERATIONS 42

- Retailers who operate their own truck fleets may turn empty back-haul trips into potential profit-makers under the new Motor Carrier Act.
- J.C.Penney's energy-conservation program is expected to cut consumption by 55% within two years; chain offers management guide to other stores. GE introduces new metal halide lamp, said to reduce energy use 35% in sales areas.
- "Minding the Store" columnist Stephanie Shern, reporting on recent store security survey, says more low-shrinkage retailers rely on people rather than machines, while reverse is true among stores with high shrinkage. Study reveals other unexpected findings.

NHMA Coverage 70

Buyers in Chicago last month were concentrating on "proven winners," ordering mostly basics from reliable suppliers because they want on-time deliveries. Several fall promotions offered by venders to whet buyer appetites—mostly rebates—but suppliers seemed to be holding off with holiday programs. Other highlights: The formation of the new Toastmaster, Inc.; Kraft sells Aluminum Specialty Co.; Toshiba expands its electric housewares lines.

close-up

Steve Smith returns to Sunbeam's headquarters as president of the Appliance Co. With the corporation for 26 years, he began in the general counsel's office, moved into marketing and then management. According to interviewer Jack Blood, "Smith's enthusiasm boils over as he looks to the electric housewares business."

From the Capital 4

FCC reverses itself on recent AM stereo ruling, reopens competition to four other non-compatible systems, as well as original winner from Magnavox. Separately, agency postpones action on 25 more CB channels.

Retail Opinion File 29

Electronics dealers vote 57% to 43% that the capacitance system will be the videodisc sweepstakes winner over the optical system, according to this month's poll. Also, many retailers believe advent of the disc will be a plus for VCR business.

Prerecorded Videocassette Report 46

Prerecorded videocassette dealers are stocking more titles and getting desired results—higher sales and profits. A spot check of several retailers around the country shows a growing commitment to the market. Also, see *Merchandising's* Top 50.

Pre-Hardware Show 30

Hardware retailers are riding the crest of a do-it-yourself wave. Despite the recession, sales for the first half are reported up as much as 25%. In fact, the silver lining in the economic cloud hovering over the country is the activity in products ranging from complete kitchen and bathroom remodeling kits to paints and portable power tools. Buyers agree that people have the time and motivation—it's less expensive—to "do it yourself."

Coming in September

★ ***Sixth Annual Housewares Statistical & Marketing Report***

★ ***Retailers position themselves in housewares and home electronics for the Christmas season.***

Trendings 6

- Electronics furniture is a big help in selling hifi components packages, audio/hifi dealers note.
- Color tv and VCR sales are holding up surprisingly well, staying ahead of last year's figures.
- Direct mail, in-store demos are being added to heavier-than-usual personal electronics promotional activity.
- Non-electric housewares buyers are busy putting finishing touches on pre-Labor Day promotions, say summer is no time to relax.
- Heat wave spurs room air conditioner sales, warms up other major appliance areas.
- Electric housewares merchants predict better-than-expected August business.

Happenings

PULSE: Power mower sales are up substantially so far this year in hardware outlets........................60

- Goodyear to carry Kraco autosound exclusively in all its stores........................63
- Energy labeling plays a big part in Sears' new fall catalog, with operating cost data for each of its washers, dryers, refrigerators and freezers—as well as the industry cost spread........................64

Product Picture

Electronics........................51-55
Housewares/Hardware........................31-39
Major Appliances........................56-58

A GRALLA PUBLICATION
VOL. 5, NO. 8 AUGUST 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher
Fred Gottesman, assoc. publisher
Executive offices: 1515 Broadway, New York, N.Y. 10036
Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-463-1102)
Editor........................Ron Schneiderman
Executive Editor........Fred Gottesman
Managing Editor.........Lois A. Panosh
Associate Editors:
William Silverman
Jack Blood (Chicago)
Assistant Editor..............Bill DeSiena
Field Editors..............Eileen Delaney
Barbara Smith
Research Director..Robert A. Leibson
Research Associate........Selma Book
Art Direction..................Sam Kweskin

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Ralph Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; Kit van Cleave; **Houston, Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; **Portland, OR,** Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor.

MARKETING/ SALES SERVICES
Director........................Jared Liebowitz
Promotion Director.....Peggy I. Sholtz
Production Director.........Barry Miller
Production Manager
........................Susan Benvenuto
Assistant Production Manager
........................Vicki Lauro
Circulation Director....James Fischer

Circulation Manager
........................Marie Kowalchuk
Classified Manager.......Nancy Leffler
Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business · Supermarket Business.

PRESIDENT—Lawrence Gralla, **EXECUTIVE VICE PRESIDENT**—Milton Gralla, **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman, **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to MERCHANDISING, 1515 Broadway, New York, N.Y. 10036. Change-of-address notices should be sent promptly, provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036.

MERCHANDISING is a member of the Audit Bureau of Circulations.

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Merchandising
AUGUST 1980

6TH ANNUAL ELECTRONICS STATISTICAL & MARKETING REPORT

CONTENTS

Audio/Tape *18*
Autosound *20*
High Fidelity *22*
Personal Electronics *24*
Video *26*

AUDIO/ TAPE

Analysis

Portable tape tops other categories

Portable tape recorders are one of the few truly bright spots in the total audio/hifi picture this year. Sales are strong enough in cassette and microcassette models to weather the rapid decline in popularity of 8-track players and recorders.

Overall, the portable tape recorder category is expected to grow about 4% this year over 1979 (total factory unit sales).

Cassette recorders will show some growth (up about 3% in unit sales), but the big hit comes from cassette/radio combos, up a projected 13% this year, and microcassette recorders, expected to show a 21% increase in factory unit sales this year over 1979.

Much of the growth in the cassette combo models is attributable to several things, including the greater awareness of the product, the variety of models on the market, and the product value/price relationship. Most consumers, manufacturers believe, are convinced they're getting a lot of product for the money.

Microcassette performance improved

In microcassettes, much of the boost in sales has to do with product awareness and improved performance. At one time strictly a commercial product, microcassettes are now very popular with students who shun notetaking and sportsmen, among others.

It's likely that the micro tape format could grow at an even faster rate with improved electronics and longer playing times, which will take them into car stereo and home tape deck applications.

Blank audio tape, with the exception of open reel and 8-track, continues to make good sales gains.

While metal particle tape still has a long ways to go to make any kind of a dent in the marketplace, unit sales should double this year.

Meanwhile, premium cassettes continue to show definite strength with sales projected to increase by 16% this year over '79. In fact, the strength of the entire cassette market shows up in the sales of promotional product, which is also expected to be up, 7% over last year.

In terms of the sale of promotional tape by type of retail outlet, very little change is anticipated this year. However, some change is expected in premium tape. Audio/hifi specialty stores, for example, will get a little less of the business as others—namely, dis-

(Continued on page 20)

COMPACT SYSTEM TOTAL FACTORY SALES

	1980	1979	% of Change
Compact Systems, total	3,937	4,464	−12
Cassette Recorder Bimode	65	73	−11
Cassette Record Trimode	1,631	1,235	+32
8-Tr. Player Bimode	214	383	−44
8-Tr. Player Trimode	525	777	−32
8-Tr. Recorder Bimode	260	417	−38
8-Tr. Recorder Trimode	832	1,188	−30
Changer Bimode	232	268	−13
Quadmode	178	123	+45

(final 000's omitted)

COMPACT SYSTEM SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	15%	14%
Audio/Hifi store	12%	12%
Catalog Chain (Sears, Penney, etc.)	12%	12%
Catalog Showroom	11%	11%
Department store	20%	22%
Discount store	25%	24%
Drug store	2%	2%
Electronic Specialty store (Radio Shack, etc.)	2%	2%
Other	1%	1%

PORTABLE TAPE RECORDER TOTAL FACTORY SALES

	1980	1979	% of Change
Portable Tape Recorders, total	18,192	17,532	+4
Cassette Recorders	12,618	12,250	+3
Cassette/Raido Combos	4,502	3,967	+13
8-Tr. Players	842	1,100	−23
8-Tr. Recorders	39	57	−32
Microcassette Recorders	191	158	+21

(final 000's omitted)

PORTABLE TAPE RECORDER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	17%	17%
Audio/Hifi store	5%	5%
Catalog Chain (Sears, Penney, etc.)	5%	5%
Catalog Showroom	18%	17%
Department store	17%	18%
Discount store	26%	25%
Drug store	3%	3%
Other	9%	10%

CONSOLE STEREO TOTAL FACTORY SALES

	1980	1979	% of Change
Console Stereo	498	540	−8

(final 000's omitted)

CONSOLE STEREO SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	26%	24%
Audio/Hifi store	1%	—
Catalog Chain (Sears, Penney, etc.)	18%	24%
Catalog Showroom	2%	3%
Department store	18%	21%
Discount store	17%	10%
Furniture store	14%	12%
Other	4%	6%

RADIO TOTAL FACTORY SALES

	1980	1979	% of Change
Radios, total	25,757	28,550	−10
By Type:			
Table	989	1,250	−21
Portable	15,215	17,100	−11
Clock	9,553	10,200	−6
By Format:			
AM Only	4,553	5,710	−20
FM & AM/FM	21,204	22,840	−7
By Power Source:			
Battery	7,499	8,400	−11
Plug-In	10,445	11,700	−11
AC/DC	7,813	8,450	−8
Specialty Types:			
Multibands	6,692	7,200	−7
Weather-Bands	910	950	−4
Scanners	768	920	−17
Digital Clock (total)	7,659	7,600	+1
Electronic Display	5,474	4,700	+16
Mechanical Leaf Display	2,185	2,900	−25
Citizens Band	1,305	1,590	−18
Base Station	140	190	−26
Mobile	1,165	1,400	−17

(final 000's omitted)

RADIO SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	16%	24%
Audio/Hifi store	4%	–
Catalog Chain (Sears, Penney, etc.)	12%	14%
Catalog Showroom	15%	15%
Department store	10%	11%
Discount store	29%	26%
Drug store	3%	1%
Furniture store	1%	1%
Jewelry store	1%	1%
Other	9%	7%

BLANK TAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Blank Audio Tape, total	255,612	234,786	+9
Cassette (total)	228,445	203,986	+12
Promotional	101,266	94,790	+7
Premium	126,728	108,970	+16
Metal Particle	451	226	+100
Open Reel (total)	8,604	9,200	–6
Promotional	1,331	1,500	–11
Premium*	7,273	7,700	–6
8-Track (total)	18,563	21,600	–14
Promotional	10,628	12,950	–18
Premium*	7,935	8,650	–8

(final 000's omitted)

** High coercivity, cobalt doped, chrome & ferric chrome, etc.*

PROMOTIONAL TAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	10%	11%
Camera store	3%	3%
Catalog Chain (Sears, Penney, etc.)	11%	10%
Catalog Showroom	6%	5%
Department store	7%	7%
Discount store	37%	38%
Drug store	8%	8%
Electronic Specialty store (Radio Shack, etc.)	6%	6%
Record store	6%	6%
Other	2%	2%

PREMIUM TAPE SALES BY TYPE OF OUTLET**

	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	41%	46%
Camera store	4%	3%
Catalog Chain (Sears, Penney, etc.)	7%	6%
Catalog Showroom	7%	5%
Department store	10%	9%
Discount store	16%	15%
Drug store	3%	3%
Record store	6%	8%
Other	1%	1%

*** High coercivity, cobalt doped, chrome & ferric chrome, metal, etc.*

● *Continued from page 18*

counters, department stores, catalog showrooms, and catalog chains (such as Sears) pick up sales.

Cassette trimodes, quadmodes ahead

Compact stereo sales will be off this year (down 12% overall), but there are two bright spots. One is cassette trimode models, which include receiver, turntable and cassette player, and the relatively new quadmode with one additional feature—an 8-track player.

Quadmode sales are projected at 178,000 units this year, a 45% increase over last year. The product is designed for consumers who own 8-track libraries, which they continue to enjoy, but who want to begin making the transition to cassette. Of course, they have the added receiver and turntable features.

Digital clocks only radio gainers

Radio sales will be off this year, except for digital clock models, which will show slight growth overall. Most digital clock sales activity will be in electronic display models (up 16% this year) while mechanical leaf display models will suffer (down an estimated 25% this year).

By format, the biggest drop in sales will come in AM-only models. Most people today opt for FM and AM/FM radios.

AC/DC models most popular

By power source, the AC/DC radios are more popular than battery only or plug-in only radios. But even the AC/DC models won't sell as well this year as they did in '79.

Specialty type radios are off, too. This is especially true of scanners.

CB radio sales will be off a projected 18% this year with base station models hit hardest.

As for console stereo, an 8% drop in factory unit sales is projected. Moreover, sales of this category are shifting away from the catalog chains (such as Sears and Penney) and department stores to discount and furniture stores. ●

AUTOSOUND

TOTAL FACTORY SALES

	1980	1979	% of Change
Autosound, total	18,866	18,630	+1
ID Cassette/Radio Combo	2,602	2,200	+18
ID 8-Track/Radio Combo	2,125	2,500	–15
UD Cassette Player	708	775	–9
UD Cassette/Radio Combo	530	605	–12
UD 8-Track Player	921	1,300	–29
UD 8-Track/Radio Combo	300	500	–40
Car Speakers (pairs)	10,611	9,500	+12
Radios only (retrofit)	1,069	1,250	–14

(final 000's omitted)

AUTOSOUND SALES BY RETAIL PRICE RANGE

	1980	1979
$50 and under	3%	5%
$51-$90	16%	15%
$91-$130	25%	21%
$131-$180	32%	32%
$181-$250	11%	11%
$251-$350	8%	9%
Over $350	5%	7%

Analysis

In-dash combos show bright spot

There isn't much to blow your horn about this year in autosound in terms of unit factory sales—unless you've been gaining market share.

AUTOSOUND SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	4%
Audio/Hifi store	16%	15%
Automotive Supply	14%	15%
Car Stereo Specialty store	14%	13%
Catalog Chain (Sears, Penney, etc.)	12%	12%
Catalog Showroom	4%	3%
Department store	7%	9%
Discount store	15%	12%
Electronic Specialty store (Radio Shack, etc.)	10%	10%
New Car Dealer	4%	5%
Other	0%	2%

Total unit sales are expected to be up only slightly over 1979 and that may be considered impressive considering that the entire category is being pulled down by a tremendous slackening in sales of underdash models in general and 8-track players specifically.

In-dash cassette combos grow

Hardest hit are the underdash 8-track/radio combination models. They're losing ground very rapidly to the one autosound electronics category that continues to do well—in-dash cassette/radio combos. Indeed, the latter product is expected to grow in sales this year by 18% over 1979, 2,602,000 units.

By comparison, the underdash 8-track combo is likely to drop off to 300,000 units sold this year, down a heady 40% from last year's sales levels.

Radios for retrofitting will also be off in sales this year by some 14%, to 1,069,000 units.

Car speaker gains

Car speakers are a bright spot, however. *Merchandising* is projecting an increase in car speakers of 12%, up to 10,611,000 pairs.

Sales of car speakers in dollars, although not projected here, may be off somewhat because of the trend in certain areas of the country to smaller speakers

(Continued on page 22)

• *Continued from page 20*

being installed in the smaller, more energy-efficient cars.

Reasons given for the big improvement in sales in in-dash cassette/radio combo models are their strong, often highly automated features and the fact that so many consumers are switching over from 8-track to cassettes. The home taping phenomenon has never been stronger and the prerecorded audio cassette market is growing rapidly—both factors contributing to the ID cassette gains.

See little trading up

There's little fluctuation in autosound sales by retail price range. However, a slight increase in sales is projected in the $91-$130 product area. Despite much talk earlier this year about consumers trading up—buying higher ticket car stereo systems than ever before—this is not reflected in the data collected by *Merchandising* from autosound manufacturers and importers.

Sales in the mid-priced ranges have pretty much flattened out with products in the lowest and highest ends dropping off a few percentage points.

Discounters increase market share

There is little change in autosound sales by type of retail outlet. With very few exceptions, just about every type of car stereo retailer has held on to his share. Only discount stores made any real headway this year, according to projections—picking up some market share over 1979. •

HIGH FIDELITY

Analysis

TOTAL FACTORY SALES

	1980	1979	% of Change
Components, total	14,869	14,687*	+1
Amps (incl. integrated)	207	300	-31
Cartridges (excl. OEM)	3,570	3,500	+2
Equalizers	129	125	+3
Headphones	2,816	2,775	+1
Pre-Amps	56	60	-7
Receivers	1,452	1,450	N.C.
Speakers (excl. OEM)	3,918	3,850	+2
Tuners	186	194*	-4
Turntables (excl. OEM)	2,535	2,433	+4

** Revised* *(final 000's omitted)*

SYSTEMS: % OF RETAIL SALES

1980	1979
50	51

SYSTEM SALES BY RETAIL PRICE RANGE

	1980	1979
$200-$349	21%	28%
$350-$499	34%	32%
$500-$749	28%	23%
$750-$1,000	12%	11%
Over $1,000	5%	6%

RECEIVER SALES BY WATTAGE

	1980	1979
10-20 Watts	20%	23%
21-40 Watts	38%	37%
41-100 Watts	38%	35%
Over 100 Watts	4%	5%

Upgrading sparks modest increases

Projections of unit factory sales of component high fidelity products has been revised downward by *Merchandising* from figures published earlier this year to reflect lower sales by industry suppliers.

Those areas of growth—and there are few—would seem to indicate some strength, not so much in the sale of new systems, but in systems upgrading by current hifi owners. Small unit sales increases over last year are being reported by manufacturers in cartridges, equalizers, speakers and turntables.

Overall, a 1% increase in hifi component sales is projected for 1980 over 1979.

$500-$749 range doing best

Some trends are noteworthy. For example, suppliers are reporting improved sales levels in systems priced from $350-$1,000, with most of the action in the $500-$749 area.

In receiver sales by wattage, hifi buyers seem to be trading up somewhat. A few more sales are falling into the 21-100 watts area, with a slight dropping off above and below.

Also, in turntables, single-play models are getting a bigger share in factory sales and presumably at retail, at the expense of multi-play units.

As for component sales by type of retail outlet, department stores and audio/hifi specialty stores picked up some market share while the hifi salon dropped about four points.

Open reel up slightly

Not too surprisingly, in tape decks, 8-track models are in a decline (off a projected 14% this year compared with 1979, to 62,000 units), with very slight growth anticipated for open reel. At the same time, very little growth is expected in cassette deck sales this year.

Few manufacturers agreed on amplifier (including integrated) sales for this year, except to indicate that they would be down significantly.

Headphone sales are expected to hold generally firm in 1980 compared with '79. •

TURNTABLE SALES BY TYPE

	1980	1979
Single-Play	60%	52%
Multi-Play	40%	48%

COMPONENT SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	8%	9%
Audio/Hifi store	37%	34%
Catalog Chain (Sears, Penney, etc.)	20%	19%
Catalog Showroom	7%	7%
Department store	9%	5%
Discount store	5%	4%
Electronic Specialty store (Radio Shack, etc.)	6%	8%
Hifi Salon	8%	12%
Other	0%	2%

TAPE DECK TOTAL FACTORY SALES

	1980	1979	% of Change
Tape Decks, total	679	675	+1
Cassette	507	495	+2
8-Track	62	72	-14
Open Reel	110	108	+2

(final 000's omitted)

PERSONAL ELECTRONICS

Analysis

CALCULATOR TOTAL FACTORY SALES

	1980	1979	% of Change
Calculators, total	25,994	25,380*	+2
Hand-Held (total)	21,602	21,317	+1
Mini-Card	2,625	2,598	+1
Printer	665	573	+16
Programmable	91	82	+11
Other	18,221	18,064	+1
Desktop (total)	4,392	4,063*	+8
Display only	956	946	+1
Printer only	1,202	1,106*	+9
Printer/Display	2,234	2,011*	+11

* Revised

(final 000's omitted)

CALCULATOR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	5%
Book store	1%	1%
Catalog Chain (Sears, Penney, etc.)	20%	23%
Catalog Showroom	12%	—
Department store	16%	21%
Discount store	30%	32%
Electronics Specialty store (Radio Shack, etc.)	4%	5%
Office Supply store	9%	9%
Other	4%	4%

DIGITAL WATCH TOTAL FACTORY SALES

	1980	1979	% of Change
Digital Watches, total	22,000	19,717	+12
LED (total)	1,398	2,967	-53
Men's	1,186	2,367	-50
Women's	212	600	-65
LCD (total)	20,602	16,750	+23
Men's	13,618	11,750	+16
Women's	6,984	5,000	+40

(final 000's omitted)

DIGITAL WATCH SALES BY TYPE OF OUTLET

	1980	1979
Catalog Chain (Sears, Penney, etc.)	20%	20%
Catalog Showroom	16%	—
Department store	23%	22%
Discount store	24%	30%
Drug store	6%	8%
Jewelry store	11%	15%
Other	0%	5%

Gains predicted in most products

Every personal electronics category but one—radar detectors—is expected to register higher factory unit sales this year over 1979.

Not suprisingly, personal computers and electronic games are experiencing the most dynamic growth in 1980. Both products are relatively new to the personal electronics market and have in some way suffered growing pains. But their success in the marketplace as healthy and viable consumer electronic products now seems clear.

Overall, *Merchandising* is projecting a 43% increase in electronic games, up to 23,000,000 units with most of the action going to hand-held models.

Although manufacturers have tended to not talk so much about chip shortages in recent months, their higher projections of unit sales of electronic games earlier this year would seem to indicate that some shortages might be anticipated. Meanwhile, manufacturers and some retailers have been stocking up in anticipation of a busy Christmas.

Changes in terms of where electronic games are sold are actually insignificant from last year.

Computer market growing rapidly

The personal computer story is interesting in that the market is growing fairly rapidly, there are quite a few new products and the price range of many of these new products is expanding both upwards and downwards. Also, there's a very noticeable shift in where personal computers are being sold.

Computer specialty stores continue to get most of the business, but electronic specialty stores, particularly Radio Shack, which has gained a major market share foothold in this business, has almost doubled its share of personal computer sales by type of outlet. Others have made very slight gains, mainly at the expense of hobby shops, many of which have set up special computer departments.

In calculators, the most notable change is in desktop models. *Merchandising* has revised its projections from earlier this year to more accurately reflect the growth of printer/display models in sales to consumers over the only slightly lower priced printer-only models. The printer-only unit continues to sell

(Continued on page 26)

LANGUAGE TRANSLATOR TOTAL FACTORY SALES

	1980	1979	% of Change
Language Translators	151	140	+8

(final 000's omitted)

PERSONAL COMPUTER TOTAL FACTORY SALES

	1980	1979	% of Change
Personal Computers	366	246	+49

(final 000's omitted)

PERSONAL COMPUTER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	5%	4%
Audio/Hifi store	4%	3%
Catalog Chain (Sears, Penney, etc.)	5%	2%
Computer Specialty store	43%	48%
Department store	6%	5%
Discount store	2%	—
Electronic Specialty store (Radio Shack, etc.)	20%	12%
Hobby Shop	15%	26%

USES: % OF RETAIL SALES

	1980	1979
Business/Professional	53	49
Personal/Home	31	37
School/Educational	16	14

PERSONAL COMPUTER SALES BY RETAIL PRICE RANGE

	1980	1979
Under $500	8%	—
$500-$800	35%	68%
$801-$1,000	19%	14%
$1,001-$1,500	25%	10%
$1,501-$2,000	8%	7%
Over $2,000	5%	1%

Sixth Annual Electronics Statistical & Marketing Report

• *Continued from page 24*

well, a number of suppliers report, mainly to business applications where users are comfortable with the display-less model.

As for sales by type of outlet, 1980 projections have been adjusted to indicate the market share of catalog showrooms, which weren't included in the magazine's 1979 statistical report.

LED watches drop substantially

The most noticeable change in digital watches is in the huge drop in the sale of LED display models. Sales of these watches will be off a projected 53% this year, while all LCD models—men's and women's—are expected to increase in unit sales by 23%. Although more than twice as many men's digitals sell than women's, the women's digital models will be up about 40% in unit sales in 1980 over '79.

Again, in digital watches, revised data indicates that catalog showrooms hold a significant share of sales in this category.

Advanced phones sell well

Telephones, particularly the high-end so-called advanced electronic models, are selling well, too. A 47% increase in unit sales is projected in this type of phone for calendar 1980. Overall, telephone sales are expected to climb 11% this year.

Phone answerer sales are riding a growth of new product introductions in a broader range of prices. A 29% increase in unit factory sales is projected for this year.

Language translators, still a very new product category, should grow 8%, up to 151,000 unit sales this year.

The only flatness in personal electronics is in radar detectors where growth this year will be minimal. •

TELEPHONE & PHONE ANSWERER TOTAL FACTORY SALES

	1980		% of 1979
Telephones, total	2,325	2,100	+ 11
Standard	1,115	994	+ 12
Decorator	998	962	+ 4
Advanced	212	144	/47
Phone Answerers	640	495	+ 29

(final 000's omitted)

TELEPHONE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	4%	5%
Audio/Hifi store	3%	4%
Catalog Chain (Sears, Penney, etc.)	15%	18%
Catalog Showroom	12%	9%
Department store	20%	18%
Discount store	20%	20%
Phone Specialty store	18%	16%
Other	8%	10%

PHONE ANSWERER SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	2%	2%
Audio/Hifi store	2%	4%
Catalog Chain (Sears, Penney, etc.)	18%	17%
Catalog Showroom	8%	9%
Department store	33%	32%
Discount store	28%	27%
Office Supply	2%	2%
Phone Specialty store	6%	6%
Other	1%	1%

RADAR DETECTOR TOTAL FACTORY SALES

	1980	1979	% of Change
Radar Detectors	612	610	N.C.

(final 000's omitted)

ELECTRONIC GAME TOTAL FACTORY SALES

	1980	1979	% of Change
Electronic Games, total	23,000	16,083	+ 43
Board	18,400	12,900	+ 43
Hand-Held	4,600	3,183	+ 45

(final 000's omitted)

RADAR DETECTOR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV	1%	1%
Automotive Supply	21%	22%
Catalog Chain (Sears, Penney, etc.)	7%	6%
Catalog Showroom	11%	9%
CB Specialty store	10%	10%
Department store	3%	4%
Discount store	22%	21%
Truck Stop	18%	19%
Other	7%	8%

ELECTRONIC GAME SALES BY TYPE OF OUTLET

	1980	1979
Book store	1%	1%
Catalog Chain (Sears, Penney, etc.)	13%	13%
Catalog Showroom	13%	12%
Department store	11%	10%
Discount store	40%	39%
Electronics Specialty store (Radio Shack, etc.)	3%	4%
Hobby Shop	1%	2%
Toy store	18%	19%

VIDEO

Analysis

Cautious forecast for color tv sales

Despite color tv sales running at a better than 9.6 million unit annualized rate during the first six months of the year, most manufacturers are making cautious projections for this year overall.

Actually, a 6% drop in factory unit sales is expected this year compared to 1979, down to about 9.2 million units.

Specifically, the 9-in. and under and 16- and 17-in. color models will be essentially flat in sales this year, as will 23-in. and 25-in. units overall.

Some growth is seen in the 25-in. table model and 23-in. console and combo sets.

Remotes still showing growth

There's a very definite growth in the sale of remote control color sets; up to 26% of the color models sold this year will be remotes compared with 21% last year.

Black-and-white model sales will be down this year, too, 9% overall. Generally, the larger screen sizes will suffer most in sales.

There's very little change this year in terms of where color and monochrome tv sets are sold.

VCRs due for healthy gains

Meanwhile, very healthy increases are projected in factory sales of videocassette recorders. *Merchandising* projects VCR sales will hit the 635,000 mark for 1980 with most of them—about 450,000—in the VHS format. Still, good growth is expected in Beta format unit sales.

Not surprisingly, blank videotape sales are growing

→

right along with the increased population of VCRs. A 44% increase in blank videocassette sales is expected this year—up to 14,352,000 unit sales at factory levels. Again, most of the growth will be in the VHS format.

Tape market shifts

Some changes are likely in where blank videotape is sold this year with gains expected by appliance/tv, camera and record stores. Discount and department stores will get less of the business this year.

In prerecorded videocassettes, an impressive 58% increase in unit sales is projected by *Merchandising*. General interest programming is gaining as new, top-rated titles begin reaching retail outlets, to some extent at the expense of X-rated cassette sales. X-rated video isn't hurting too badly, however; a 48% increase in sales of this type of material is projected for 1980.

Color camera sales strong

In video cameras, there appears to be very little interest in black-and-white models and sales will be off 43% this year. Color camera sales are strong, however, with a 70% increase in unit sales anticipated.

Overall, some 90,000 color cameras are expected to be sold at retail.

Projection, or wide-screen, tv is growing somewhat with a 6% increase in unit sales likely this year—up to 67,000 units.

As for video games, most of the action these days is in programmable models with little consumer interest in the basic, so-called ball-and-paddle non-programmable models. •

COLOR TV TOTAL FACTORY SALES

	1980	1979	% of Change
Color TV, total	9,208	9,793	-6
Console & Combo	2,208	2,263	-2
Portable & Table	7,000	7,530	-7

(final 000's omitted)

COLOR TV SALES BY SCREEN SIZE

	1980	1979	% of Change
9-in. & under	368	369	N.C.
12 & 13-in.	1,289	1,352	-5
14 & 15-in.	285	316	-10
16 & 17-in.	387	382	+1
18 & 19-in.	4,395	4,807	-9
21-in.	147	176	-16
23-in. (total)	249	248	N.C.
Console & Combo	221	212	+4
Table	28	36	-22
25-in. (total)	2,088	2,143	-3
Console & Combo	1,987	2,051	-3
Table	101	92	+10

(final 000's omitted)

COLOR TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	48%	48%
Catalog Chain (Sears, Penney, etc.)	16%	17%
Catalog Showroom	2%	2%
Department store	14%	15%
Discount store	10%	9%
Furniture store	7%	7%
Video Specialty store	1%	1%
Other	2%	1%

REMOTE CONTROL: % OF COLOR TV SALES

1980	1979
26	21

COLOR TV CONSOLE SALES BY CABINET STYLE

	1980	1979
Early American	28%	28%
French Provincial	5%	6%
Mediterranean	32%	31%
Modern (contemporary)	31%	30%
Other	4%	5%

B&W TV TOTAL FACTORY SALES

	1980	1979	% of Change
B&W TV, total	5,700	6,281	-9
Console & Combo	17	23	-26
Portable & Table	5,683	6,258	-9

(final 000's omitted)

B&W TV SALES BY SCREEN SIZE

	1980	1979	% of Change
Mini Combinations	300	322	-7
9-in. & under (excl. mini combos)	425	560	-24
12-in.	4,180	4,372	-4
13 & 15-in.	145	176	-18
16 & 17-in.	120	156	-23
18 & 19-in.	510	667	-24
22-in. (total)	20	28	-29
Console & Combo	17	23	-26
Table	3	5	-40

(final 000's omitted)

B&W TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	28%	28%
Catalog Chain (Sears, Penney, etc.)	19%	21%
Catalog Showroom	6%	6%
Department store	16%	16%
Discount store	23%	24%
Furniture store	4%	3%
Other	4%	2%

BATTERY-POWERED: % OF B&W TV SALES

1980	1979
23	22

VCR TOTAL FACTORY SALES

	1980	1979	% of Change
Videotape Recorders (total)	635	478	+33
Beta	185	148	+25
VHS	450	330	+36

(final 000's omitted)

VCR SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	40%	40%
Audio/Hifi store	10%	10%
Catalog Chain (Sears, Penney, etc.)	5%	4%
Catalog Showroom	2%	2%
Department store	15%	16%
Discount store	11%	12%
Video Specialty store	16%	16%
Other	1%	—

BLANK VIDEOTAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Blank Videotape, total	14,352	9,967	+44
Beta	6,028	4,567	+32
VHS	8,324	5,400	+54

(final 000's omitted)

BLANK VIDEOTAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	35%	38%
Audio/Hifi store	13%	12%
Camera store	3%	2%
Catalog Chain (Sears, Penney, etc.)	4%	5%
Catalog Showroom	2%	1%
Department store	10%	12%
Discount store	10%	9%
Film Processor (Fotomat, Shutterbug, etc.)	2%	2%
Record store	4%	3%
Video Specialty store	12%	15%
Other	5%	1%

(Continued on page 28)

Sixth Annual Electronics Statistical & Marketing Report

PRERECORDED VIDEOTAPE TOTAL FACTORY SALES

	1980	1979	% of Change
Prerecorded Videotape, total	3,410	2,158	+58
General Interest	1,159	633	+83
X-Rated	2,251	1,525	+48
Beta	1,193	906	+32
VHS	2,217	1,252	+77

(final 000's omitted)

PRERECORDED VIDEOTAPE SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	12%	11%
Audio/Hifi store	9%	7%
Camera store	4%	3%
Catalog Chain (Sears, Penney, etc.)	30%	37%
Catalog Showroom	3%	2%
Department store	14%	12%
Discount store	2%	2%
Film Processor (Fotomat, Shutterbug, etc.)	5%	5%
Record store	5%	4%
Video Specialty store	16%	17%

PROJECTION TV TOTAL FACTORY SALES

	1980	1979	% of Change
Projection TV	67	63	+6

(final 000's omitted)

PROJECTION TV SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	15%	14%
Audio/Hifi store	32%	33%
Catalog Showroom	1%	1%
Department store	9%	12%
Discount store	3%	1%
Furniture store	4%	4%
Video Specialty store	35%	34%
Other	1%	1%

VIDEO CAMERA TOTAL FACTORY SATES

	1980	1979	% of Change
Video Cameras, total	90	73	+23
Color	73	43	+70
Black & White	17	30	-43

(final 000's omitted)

VIDEO GAME TOTAL FACTORY SALES

	1980	1979	% of Change
Video Games, total	1,750	1,685	+ 4
Non-Programmable	650	1,085	-40
Programmable	1,100	600	+83

(final 000's omitted)

VIDEO GAME SALES BY TYPE OF OUTLET

	1980	1979
Appliance/TV store	7%	7%
Audio/Hifi store	3%	5%
Catalog Chain (Sears, Penney, etc.)	14%	12%
Catalog Showroom	10%	6%
Department store	22%	24%
Discount store	33%	34%
Electronic Specialty store (Radio Shack, etc.)	2%	2%
Toy store	7%	7%
Video Specialty store	1%	1%
Other	1%	2%

Retail Opinion File

A majority of electronics dealers cast ballots for capacitance videodiscs vs. optical format

With election fever beginning to sweep the country, electronics dealers went to the polls last month and cast their ballots on several of the pocketbook issues that will affect them in the months ahead.

Although the results were mixed—there were no overwhelming victories chalked up in this month's Retail Opinion File—the capacitance videodisc player won a clear majority over the optical format in the preferential poll.

Fifty-seven percent of the respondents gave the nod to the capacitance system as the one likely to be the more successful in the marketplace. The optical party mustered 43%.

Why one vs. the other

When asked why they chose one over the other, 58% of the capacitance supporters cited price, 54% advertising, 35% features and 26% software support. The optical backers claimed superiority in the same four areas, but with a different ranking: 71% put features first, 25% cited advertising, 20% software support and 15% focused on price.

But several retailers did more than mark ballots; they had opinions to voice as well. With 'a plague on both your houses' attitude, one dealer warned: "If the videodisc doesn't become standardized soon—and I mean right now—it will end up just like 4-channel. Some companies won't enter the videodisc market because they lost their shirts in 4-channel."

But another electronics merchant asserted, "The RCA VideoDisc—when available with stereo—will be the hottest thing to hit the market, if the price is right."

Disc intro to help VCR

In addition, a strong minority—33%—believe the advent of videodisc players will help stimulate sales of videocassette recorders. As one dealer said, "I think with the videodisc priced the way it is, more consumer interest will be created and help VCR sales as well."

While another retailer predicted, 'Videodisc will be the flop of the '80s; it will be the biggest dinosaur since quad. But it will create a booming VCR business."

Then there was the dealer who apparently is none too happy about either the videodisc player or VCR. He claimed, "Videodisc, like videocassette, will become a jungle almost immediately. Manufacturers will lose control over retailers who will ruin the marketplace. It's a familiar pattern which we have seen before."

VCR sales outlook

Among the 67% of respondents to the poll who sell videocassette recorders, 54% expected their VCR unit sales would show gains for 1980 compared to 1979, and a substantial 34% felt volume would remain unchanged.

But even among the optimists there were complaints. "If the industry wouldn't constantly confuse the customer (and retailer) with pricing as well as product changes, VCRs would be selling at a 25% faster rate," said a dealer. And another echoed, "The VCR rat race is hurting sales ... the consumer buys a 6-hr. VCR this month and two months later it is outdated."

But sales pace wasn't the only concern of the retailer who bitterly stated, "Videocassette recorders are so badly discounted that we are unable to sell them competitively. There's no profit left in VCRs."

Prerecorded videocassettes

To sell, to rent, or both?

When retailers were asked if they would like to rent prerecorded videocassettes, as well as sell them, of the 20% who currently sell software programs, 50% voted a desire to rent also. Thirty-three percent stated a sell-only preference, while 15% now do both. Two percent offered no opinion, and nobody wanted to change to a rent-only policy.

Questionnaire

Do you sell color television sets?

Yes	76%
No	24%

If yes, what change do you expect in your unit sales for 1980 compared to 1979?

Up 1-9%	9%
Up 10-14%	12%
Up 15-25%	8%
Up over 25%	5%
Unchanged	33%
Down 1-9%	4%
Down 10-14%	11%
Down 15-25%	14%
Down over 25%	4%

Do you sell videocassette recorders?

Yes	67%
No	33%

If yes, what change do you expect in your unit sales for 1980 compared to 1979?

Up 1-14%	19%
Up 15-24%	17%
Up 25-50%	17%
Up over 50%	1%
Unchanged	32%
Down 1-14%	3%
Down 15-24%	5%
Down 25-50%	5%
Down over 50%	1%

In your opinion, which of the major videodisc players will be the most successful in the marketplace, the capacitance (RCA, Zenith) or optical (Magnavox, Pioneer, etc.) format?

Capacitance	57%
Optical	43%

Why?

	Capacitance*	Optical*
Features	35%	71%
Price	58%	15%
Software Support	26%	20%
Advertising	54%	25%
Brand Name	6%	4%
Quality	1%	8%
Service	1%	0%
Other	2%	3%

**Adds up to more than 100% due to multiple answers.*

In your opinion, what effect will the introduction of videodisc players on a national scale have on the sale of videocassette recorders?

Will Help	33%
Will Hinder	20%
No Effect	27%
Don't Know	20%

Do you sell prerecorded videocassettes?

Yes	20%
No	80%

If yes, would you like to rent them as well as sell them?

Like to Rent & Sell	50%
Like to Sell Only	33%
Like to Rent Only	0%
Now Rent & Sell	15%
No Response	2%

How important to the sales effort is the "talking" feature (electronic voice synthesis) in home electronic products, such as games, hifi components and computers?

Very Important	20%
Moderately Important	50%
Not Important	30%

How long do you think it will take before personal computers become a mass market consumer product?

With the next 5 years	44%
5-10 years	44%
Longer than 10 years	10%
Now	1%
Other	1%

Do you feel women are exerting more influence today than ever before on home entertainment product purchase decisions?

More Influence	61%
About the Same	38%
Less Influence	1%

What is the most important factor to you in selecting a supplier of products?

Brand Name	37%
Price	22%
Service	20%
Your Competition	6%
Merchandising	5%
Delivery	3%
Quality	2%
Terms	2%
Profitability	1%
Limited Distribution	1%
Other	1%

Outlook for color tv

"The future in electronics lies in the tv set becoming the home video center—computer, video recorder, disc player, games, etc.," said a dealer. But neither he nor several of his colleagues were especially optimistic about the basic building block of his vision—the color tv set.

The ballot box tally of how dealers view their color tv sales for the year ended essentially in a draw. Thirty-four percent voted on the upside, 33% on the downside and another 33% said they expected their tv business to remain on a par with 1979.

Beyond the numbers themselves, however, some retailers perceived changes in the offing. As one declared, "I expect the overall tv business to slant more toward the mass merchandiser. This will make competition on margins stiffer for all outlets."

But he added this advice: "Those dealers who accept trade-ins will maintain or even gain in volume share as the market from here on becomes more of a replacement business."

Selecting a supplier

The referendum on criteria dealers use in selecting a supplier drew the most heated comment from respondents to this month's Retail Opinion File. No one element received a majority vote, and only three qualities pulled in any significant support. The remaining eight got only a smattering of nods.

Brand name was considered the most important consideration in selecting an electronics product supplier by 37% of the "electorate." Price garnered 22% of the votes, while service attracted 20%.

One dealer explained his vote, saying, "If you buy brand name, you don't have to worry about service, competition, merchandising, quality, etc."

But another retailer sharply disagreed. "Picking a distributor must be based on the capability of the distributor, more than the product. It doesn't matter what your product is if you can't get it or if your distributor doesn't back it up."

While still another precinct reported, "Price! With interest rates high and profit margins low, I have to have quick turnover or eat it."

And there was the retailer who charged, "I need limited distribution. A salesman can sell on the merits of the product rather than price. I've never been able to understand why the electronics industry is so discount minded. Just look at the office products business; they seem to be able to hold the price on their products real well."

Finally, there was the dealer who noted, "We are looking for suppliers who feel loyalty is a two-way street."

BEST COPY AVAILABLE

Merchandising's TOP 50

	Last month's position*	Months on chart
1. **"10"** *(WCI Home Video)***	2	3
2. **Superman** *(WCI Home Video)*	1	6
3. **The Muppet Movie** *(Magnetic Video)*	9	2
4. **Alien** *(Magnetic Video)*	N	1
5. **Animal House** *(MCA Distributing)*	13	2
6. **Grease** *(Paramount Home Video)*	3	5
7. **The Godfather** *(Paramount Home Video)*	4	13
8. **Norma Rae** *(Magnetic Video)*	8	5
9. **Blazing Saddles** *(WCI Home Video)*	8	5
10. **Jaws** *(MCA Distributing)*	43	2
11. **Enter the Dragon** *(WCI Home Video)*	7	4
12. **Saturday Night Fever** *(Paramount Home Video)*	5	13
13. **Electric Horseman** *(TVX Distributors)*	N	1
14. **Smokey and the Bandit** *(MCA Distributing)*	30	2
15. **The Godfather II** *(Paramount Home Video)*	10	10
16. **Emmanuelle** *(Columbia Pictures Home Entertainment)*	11	3
17. **M*A*S*H** *(Magnetic Video)*	6	22
18. **Halloween** *(Media Home Entertainment)*	12	3
19. **Midnight Express** *(Columbia Pictures Home Entertainment)*	22	3
20. **Dirty Harry** *(WCI Home Video)*	15	5
21. **A Star Is Born** *(WCI Home Video)*	N	1
22. **The Sound of Music** *(Magnetic Video)*	17	17
23. **Heaven Can Wait** *(Paramount Home Video)*	18	5
24. **Silver Streak** *(Magnetic Video)*	20	5
25. **The In-Laws** *(WCI Home Video)*	26	4
26. **The Exorcist** *(WCI Home Video)*	35	5
27. **Patton** *(Magnetic Video)*	14	22
28. **The Wild Bunch** *(WCI Home Video)*	19	3
29. **The African Queen** *(Magnetic Video)*	31	13
30. **Barbarella** *(Paramount Home Video)*	34	10
31. **The Deer Hunter** *(MCA Distributing)*	45	2
32. **Deliverance** *(MCA Distributing)*	36	1
33. **Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	23	10
34. **Oh God!** *(WCI Home Video)*	41	4
35. **Tora! Tora! Tora!** *(Magnetic Video)*	24	22
36. **"1941"** *(MCA Distributing)*	N	1
37. **The Omen** *(Magnetic Video)*	27	3
38. **The Jerk** *(MCA Distributing)*	N	1
39. **The Deep** *(Columbia Pictures Home Entertainment)*	40	6
40. **Hooper** *(WCI Home Video)*	29	4
41. **Mr. Bill** *(Video Tape Network)*	32	2
42. **The Adventures of Sherlock Holmes' Smarter Brother** *(Magnetic Video)*	42	8
43. **The French Connection** *(Magnetic Video)*	28	22
44. **Foul Play** *(Paramount Home Video)*	44	5
45. **Night of the Living Dead** *(Media Home Entertainment)*	N	13
46. **Murder on the Orient Express** *(Paramount)*	47	10
47. **The Graduate** *(Magnetic Video)*	21	19
48. **Marathon Man** *(Paramount Home Video)*	37	9
49. **The Longest Yard** *(Paramount Home Video)*	N	6
50. **The Longest Day** *(Magnetic Video)*	N	20

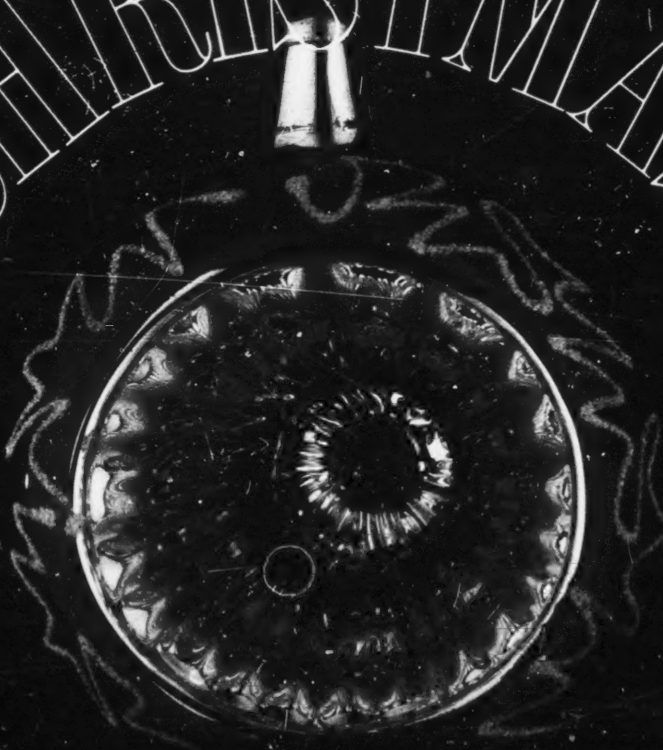
**Based on retail sales.*
***Companies in parentheses are distributors.*

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

4/23/80 C 4200-1 U

CHRISTMAS PLANNING FOCUS



Promotions / Displays / Sales Forecasts / Credit Outlook

6th Annual Housewares Statistical & Marketing Report

The L.A. Hifi Market: Survival of The Fittest

BEST AVAILABLE COPY

Merchandising

FOR OVER 60,000 READERS
52,000 RETAILERS

SEPTEMBER 1980

6th Annual Housewares Statistical & Marketing Report

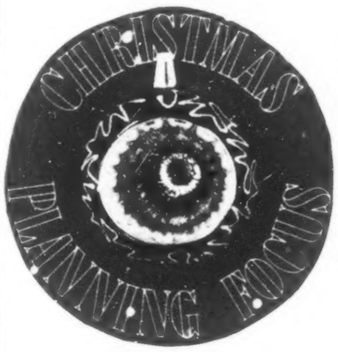
6th
annual
housewares
statistical
& marketing
report

Housewares is in pretty good shape this year, for the most part, according to MERCHANDISING's projections.

For the 29 product groups we track in kitchen electrics, the forecasts we made in May have held up well. Total metal cookware sales for 1980 are forecast ahead of 1979 by 10%.

In personal care, there's a very definite positive outlook for all of this year, with few exceptions.

17



Electronics: Retailers expect portable tape equipment, games, VCRs and color tv to generate bigger-than-ever sales this Christmas selling season.

Housewares: It will be an old fashioned Christmas for Housewares with little less tinsel and a lot more ingenuity at the retail level.

Major Appliances: A white goods Christmas? Why not? Look for most of the sales action to come from microwave ovens and, of course, dishwashers.

64

56

Most electronics and housewares retailers expect strong holiday season sales

The majority of housewares and electronics retailers responding to **MERCHANDISING's** *Retail Opinion File* say they expect Christmas sales to better this year than they were in 1979 in most product categories.

Consumers show more interest in non-store shopping

60

More and more consumers, anxious to save on travel costs and time, are turning to buying goods by mail, telephone and catalog orders.

Japanese tv makers' case too complicated for jury decision

4

Defendants in the important legal battle with Japanese television set exporters have managed to convince the U.S. Court of Appeals in Philadelphia that some cases can be so complicated that it is impossible to try them before a jury. In fact, some of the defendants would like to skip the jury, but not necessarily due to of the complexity of the case.

80

At the National Hardware Show

Anything related to the energy crunch proved to be high on the product wanted list for merchants at the National Hardware Show in Chicago last month. There were plenty of wood-burning stoves, attic and ceiling fans, solar devices, electronic thermostats, and quartz and kerosene heaters, along with plenty of barbecue grills and electronic bug killers. And log splitters.

It all seemed to be a pretty good indication of consumer interest in stay-at-home living and energy conservation.

Mickey Mouse joins the video parade

32

Mickey Mouse is for hire. Or for sale. Walt Disney Home Video launches its rent-and-sell program this month with 10 of its top feature films and three cartoon festivals—all on videocassette.

And "Alien" moves up to the top selling spot.

Coming in October

- ** 8th Annual National Consumer Survey*
- ** A look at the tv rental, electronic thermostat and video games markets.*

Trendings

6

- •Summer may be winding down, but appliance dealers are looking for end-of-vacation sales opportunities.
- •Personal electronics sales are picking up and retailers have started ordering their Christmas goods.
- •Hifi is selling again in some areas—to the genuine surprise of some dealers.
- •Video accessories business is booming along with consumer interest in home video.
- •Most non-electronics buyers say they'll "stick with what we have" for fall promotions.
- •More students are buying toaster-ovens, coffee makers, popcorn poppers and hot pots.

Happenings

70

Vhile high ticket items such as microwave ens still hold a place on supermarket elves, most of the hard goods action this ar in food chains will be in personal care and ner small electric housewares.

J.S. Pioneer is cutting its dealer network by out 45% and expects its video sales to top i sales within the next three years.

Product Picture

Electronics....................39-41
Housewares/Hardware..............46-53
Major Appliances.....................44-45

A GRALLA PUBLICATION
VOL. 5, NO. 9 SEPT. 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036

Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-463-1102)
Editor .... Ron Schneiderman
Managing Editor .... Lois A. Panosh
Associate Editors:
William Silverman
Joe Allen
Jack Blood (Chicago)
Assistant Editor .... Bill DeSiena
Field Editors .... Eileen Delaney
Barbara Smith
Research Director Robert A. Leibson
Research Associate Selma Book

CORRESPONDENTS:
Albany, NY, Marilyn Nason. **Atlanta, GA,** Leara Rhodes. **Baltimore, MD,** Susan Bautz. **Buffalo, NY,** Gus Patuto. **Cleveland, OH,** Louis Oswald. **Dallas, TX,** Phyllis Dishman. **Denver, CO,** Ralph Latimer. **Detroit, MI,** Don Shakespeare. **Greensboro-High Point, NC,** Martha Clontz. **Honolulu, HI,** Jesse Bowman. Kit van Cleave. **Houston, Indianapolis, IN,** Fred Engelking. **Los Angeles, CA,** Marvin Smalheiser. **Memphis, TN,** Vicki Hancock. **Minneapolis, MN,** Irene Clepper. **Nashville, TN,** Charlotte Parrish. **New Orleans, LA,** Marilyn Nelson. **Omaha, NE,** Robert Erxleben. **Philadelphia, PA,** William Storm. **Phoenix, AZ,** Joyce Bass. **Pittsburgh, PA,** Elizabeth Morgan. **Portland, OR,** Todd Blake. **San Francisco, CA,** Ruth Webber. **Seattle, WA,** Harriet King. **Tampa, FL,** George Tillett. **Washington, DC,** Andrea Chancellor

MARKETING/ SALES SERVICES
Director .... Jared Liebowitz
Promotion Director .... Peggy I. Sholtz
Production Director .... Barry Miller
Production Manager
.... Jody Neblett
Production Assistant
.... Karen Sheaf
Circulation Director .... James Fischer

Circulation Manager
.... Marie Kowalchuk
Classified Manager ...... Nancy Leffler
Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium Incentive Business · Professional Furniture Merchant · Sporting Goods Business

PRESIDENT—Lawrence Gralla. **EXECUTIVE VICE PRESIDENT**—Milton Gralla. **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman. **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to MERCHANDISING, 1515 Broadway, New York, N.Y. 10036. Change-of-address notices should be sent promptly; provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036

MERCHANDISING is a member of the Audit Bureau of Circulations

CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106

Merchandising
SEPTEMBER 1980

CONTENTS

AIR TREATMENT....26
CLOCKS....24
COOKWARE....20
FLOOR CARE....22
HOME SECURITY....26
KITCHEN ELECTRICS....18
OUTDOOR....28
PERSONAL CARE....21
PLASTICWARE....28

6th annual housewares statistical & marketing report

Industry estimates for the housewares categories tracked by ***Merchandising*** suggest that 1980 will be a better year than many expected.

No records are likely to be set because the most exciting fourth quarter business cannot completely make-up for the "not very good" or "plain lousy" second quarter experienced during the "credit crunch."

Statistics were compiled by Robert A. Leibson, research director, and Selma Book, research associate; analyses by Lois A. Panosh, managing editor.

6th Annual Housewares Statistical & Marketing Report

KITCHEN ELECTRICS

Kitchen Electrics Sales by Type of Outlet

	% 1980	% 1979
Appliance/TV Store	3	3
Catalog Chain (Sears, Penney's etc.)	9	9
Catalog Showroom	22	20
Department Store	15	17
Discount Store	29	29
Drug Store	5	5
Home Improvement Center	1	1
Housewares/Hardware Store	7	7
Supermarket	3	3
Variety	5	5
Other	1	1

ADC Coffeemaker Sales by Cup Capacity

	% 1980	% 1979
Under 10-cup	16	16
10- cup	60	61
12-cup	24	23

Food Processor Sales by Retail Price Range

	% 1980	% 1979
Under $50	21	14
$50 - $75	53	63
$76 - $100	9	8
$101 - $150	6	6
$151 - $200	5	4
Over $200	6	5

Deep Fryer Sales by Oil Capacity

	% 1980	% 1979
2-cup	15	17
4-cup	49	43
6-cup and over	36	40

Kitchen Electrics Unit Sales

	1980*	1979*	% Change
Bag Sealers	2,150	2,390	-10
Blenders	4,787	5,025	-5
Broilers, Total	2,400	2,423	-1
With Rotisseries	442	464	-5
Without Rotisseries	1,958	1,959	N.C.
Can Openers, Total	5,575	5,520	+ 1
Single units	3,085	2,951	+ 5
Combination units	2,490	2,567	-3
Coffee Grinders	351	368	-5
Coffeemakers, Total	12,656	12,104	+ 5
ADC	8,608,	8,277	+ 4
Automatic (1-16 cup)	3,136	2,906	+ 8
Party Perc (over 16 cups)	930	921	+ 1
Convection Ovens (countertop)	550	250	+ 120
Cornpoppers, Total	5,667	5,280	+ 7
Hot Air	2,592	2,117	+ 22
Hot Oil, Total	3,075	3,163	-3
Buttering	2,500	2,497	N.C.
Non-Buttering	575	666	-14
Crepe Pans	310	364	-15
Deep Fryers, Total	2,784	2,818	-1
Mini	1,667	1,710	-3
Regular	1,117	1,108	+ 1
Egg Cookers	460	460	N.C.
Fondues	195	215	-9
Food Mixers, Total	5,770	5,568	+ 4
Stand-Type	1,412	1,457	-3
Hand-Held	4,358	4,111	+ 6
Food Processors	3,120	3,000	+ 4
Food Slicers	560	563	+ 7
Frypans/Skillets	2,935	2,709	+ 8
Griddles/Quick Grills	694	661	+ 5
Hotplates & Buffet Ranges	812	803	+ 1
Ice Cream Makers	1,267	1,306	-3
Ice Crushers	190	188	+ 1
Irons, Total	10,305	10,340	N.C.
Stream & Steam/Spray, Total	9,777	9,795	N.C.
Standard	7,645	8,380	-9
Full Feature Lightweight	2,132	1,415	+ 51
Automatic	327	350	-7
Travel	201	195	+ 3
Juice Extractors	23	20	+ 15
Knives	1,709	1,692	+ 1
Omelet Pans	254	254	N.C.
Slow Cookers	5,175	5,641	+ 1
Toasters, Total	9,378	8,916	+ 5
Two-Slice	4,675	4,576	+ 2
Four-Slice	1,823	1,752	+ 4
Toaster-Ovens	962	888	+ 8
Toaster-Oven/Broilers	1,918	1,700	+ 13
Waffle Irons/Sandwich Grills	1,152	1,119	+ 3
Woks	584	578	+ 1
Yogurt Makers	609	641	-5

(final 000's omitted)*

Analysis

Basic categories forecast above '79

For the 29 product groups tracked in this category, the overall May projections have held up surprisingly well. At that time, there were 16 shown for increases; eight for decreases and five with "no change" expected. Like totals at this time are 17, nine and three.

There is a distinct difference, however. In a number of instances the "ups" of May are not quite as high in September and the "downs" are lower. This reflects a "second look" by industry taking into account the affect of the "credit crunch" on second-quarter business.

The largest percentage gain goes to convection ovens. Industry estimates place them above the 500,000-mark with a projected increase of 120% over units shipped in 1979.

In volume, the top electric housewares category remains coffeemakers. With a 5% increase over last year total unit sales will be almost 12.7 million. Of this number, automatic drip coffeemakers, up 4%; account for the largest share, 8.6 million units; 1-16 cup automatic percs pass the three-million mark for the first time since 1976, up 8% and party percs with a gain of 1% are forecast to total 930,000 units.

Industry sources suggest that the growth in percolators reflects the down economy. A number of people, it seems, still believe percs use less coffee than the ADC's.

Irons hold a strong second place with a projection of 10.3 million in unit sales, ranking a "no change" from 1979 because the total difference is not statistically significant.

Lightweights gain on standard irons

What is significant—both statistically and otherwise—is the fact that the full feature lightweight stream & steam/spray irons are set for a 51% increase, crossing the two-million unit level while the standard stream & steam/spray models drop below eight million-mark with an expected 9% loss. Automatic irons are seen off 7% while travel irons are up 3%.

Toasters which include toaster-ovens pass the nine million-mark with a 5% gain forecast. While two-slice models account for almost half of the total volume, toaster-oven/broilers account for the largest percentage change (13%) from a year ago, nearing the two million-mark.

Following food mixers and slow cookers in total unit sales, cornpoppers are expected to gain seven percentage points this year. The hot air units show an increase of 22%, bringing the total projected annual sales of these items to over 2.5 million.

With a 1% gain, can-openers account for 5.57 million units shipped, while blenders forecast 5% under 1979, fall below the five-million unit level.

Industry estimates put food processor unit sales 4% ahead of last year, bringing the total shipments to 3.1 million.

The other products in this category expected to show gains this year include frypans/skillets, slicing knives, waffle irons/sandwich grills, hotplates & buffet ranges, griddles/quick grills, woks, food slicers, and ice crushers.

Catalog showrooms gain market share

According to industry estimates the only change in kitchen electrics unit sales by type of outlet is that catalog showrooms have gained a 2% share. This added business appears to come directly from department stores since they are forecast to lose a 2% share.

Almost two-thirds of automatic drip coffeemakers sold are the 10-cup size. Accounting for about one-fourth of the total are the 12-cup units, while the under 10-cup ADC's account for 16%.

More than half of all food processor sales by retail price will be from those priced $50 to $75. Again, reflecting the economic times, food processors selling under $50 pick up the largest percentage share (7%) from 1979. Those over $200 are projected for a 1% increase.

Deep fryer sales by oil capacity show that 4-cup units are expected to account for almost half of the units shipped this year.

6th Annual Housewares Statistical & Marketing Report

COOKWARE

Metal Cookware Unit Sales

	1980*	1979*	%Change
Total	117,510	106,723	+ 10
Aluminum	76,197	65,552	+ 16
Stainless Steel	27,096	26,225	+ 3
Enamel	7,556	7,546	NC
Cast Iron	4,621	4,850	- 5
Porcelain Enamel on Cast Iron	2,040	2,550	-20
Non-Stick	52,942	43,756	+ 21

final 000's omitted

Metal Cookware Sales by Type of Outlet

	1980%	1979%
Catalog Chain (Sears, Penney's, etc.)	12	13
Catalog Showroom	12	11
Department Store	25	29
Discount Store	22	21
Drug Chain	1	1
Gourmet/Gift Shop	5	4
Housewares/Hardware	10	10
Supermarket	4	3
Variety Store	1	2
Other	8	6

Sales of Metal Cookware by Type of Non-Stick Coating

	%1980*	%1979*
SilverStone	68	60
Teflon	17	19
Other	15	21

(*final 000's omitted)

Microwave Cookware Unit Sales

	1980*	1979*	%Change
Total	17,081	15,706	+ 9
Plastic	6,286	5,483	+ 15
Ceramic	3,891	3,678	+ 6
Glass	4,079	3,694	+ 10
Stoneware	2,098	2,074	+ 1
Other	727	777	- 6

(*final 000's omitted)

Microwave Cookware Sales by Type of Outlet

	%1980	%1979
Appliance/tv	10	9
Catalog Chain (Sears, Penney's, etc.)	16	18
Catalog Showroom	6	5
Department Store	14	15
Discount Store	19	19
Drug Chain	3	3
Housewares/Hardware	8	8
Microwave only	11	9
Supermarket	8	8
Variety Store	4	5
Other	1	1

Microwave Cookware Sales: Sets vs. Open Stock

	%1980	%1979
Open-stock pieces	74	71
Sets	26	29

Pressure Cooker Unit Sales

	1980*	1979*	%Change
Total	2,966	2,825	+ 5
Regular	2,077	1,978	+ 5
Low Pressure	889	847	+ 5
Non-Electric	2,669	2,500	+ 7
Electric	297	325	- 9

(*final 000's omitted)

Pressure Cooker Sales by Capacity

	%1980	%1979
2 - 4 quart	22	23
6 - 8 quart	57	57
10-quart and over	21	20

Pressure Cooker Sales by Type of Outlet

	%1980	%1979
Appliance/tv	4	7
Catalog Chain (Sears, Penney's, etc.)	21	20
Catalog Showroom	11	9
Department Store	31	35
Discount Store	21	17
Housewares/Hardware	10	11
Other	2	1

Analysis

Cookware set at 118 million units

Total metal cookware sales for 1980 are forecast ahead of 1979 by 10% with 117.5 million units expected to be shipped.

Accounting for almost two-thirds of all cookware/bakeware is the aluminum category estimated 16% above last year's count of 65.6 million.

With non-stick cookware passing the 50-million mark, much of the aluminum cookware/bakeware growth must be credited to the "high powered" SilverStone promotions initiated by Du Pont.

Despite the uncertainties surrounding steel production and imports this year, stainless steel cookware is posted for a modest gain of 3%. This will bring 1980 shipments to just over 27 million units.

Enamel cookware remains virtually unchanged with a projection of just over 7.5 million units. However, both cast iron and porcelain enamel on cast iron cookware are set for decreases. The former is seen down 5% and the latter, 20%.

At least one factor in the above is the low-end imports coming in from developing countries at no or greatly reduced duties. On the other hand, with the strengthening of the currencies of Western Europe against the American dollar, the high-end imports, never a mass-merchandising item, are being all but priced out of the market here.

Metal cookware sales by type of outlet show that department stores are expected to drop from 29% to 25% share of market this year over 1979. Catalog chains and variety stores each will lose a 1% share.

The gainers, but by only a percentage point, are catalog showrooms, discount stores, gourmet/gift shops and supermarkets. A gain of 2% is forecast for other which includes cooking schools and specialty mail order houses.

While the change in share by outlets shows department stores off, the overall gain in total sales means that in actual unit sales, all outlets may post gains this year.

For the first time this year, *Merchandising* breaks out the various non-stick coatings for metal cookware. Far and away, SilverStone takes the lead with 68% of the total. In second place is Teflon at 19% with other types of non-stick coating accounting for 15%.

Most microwave cookware sales in plastic

As a material, and despite the fact that no standards have been set as yet, plastic accounts for most unit sales of microwave cookware. Projections show that they total over six million units making up 15% of all microwave cookware/accessories expected to be sold this year.

Ceramic and glass, as well as ceramic/glass one must surmise, account for 3.9 million and just over 4 million, respectively, or gains of 6% and 10%.

Stoneware sneaks up just 1% in unit sales over 1979. The gains in ceramic, glass and stoneware do not account for the full volume of these products which are used in conventional as well as microwave ovens. Industry estimates, not statistically confirmed, indicate that total sales of non-metal cookware would double figures.

Other types of microwave cookware, which include the coated paper, foil and china, are projected for a 5% decrease from a year earlier.

With the exception of one or two percentage points, microwave cookware sales by type of outlet remain unchanged from last year. Industry forecasts do show that microwave only outlets will gain a 2% share.

Open stock pieces of microwave cookware sales now are expected to account for almost three out of every four sales. As one industry source indicated, this is not surprising. When the consumer first buys her microwave oven she frequently buys a set of utensils to use with it. Thereafter, she picks up specialty items and individual pieces as she needs them. Sets will continue to sell as long as the ovens are at such a low saturation among total consumers. However, as the market becomes more saturated, open stock pieces account for an even greater share of the market.

Pressure cooker sales on the rise

Energy costs and economy are the reasons the industry sees pressure cooker sales increasing by 5% this year. In fact, pressure cookers have been called the "poor man's microwave oven." They are fast and efficient, but far less costly.

Pressure cookers cook less expensive cuts of meat more easily ... and "appetizingly" according to one industry executive ... than microwave ovens. A recognizable economy measure in these days of high food, especially meat, costs.

Sales of pressure cookers by type of outlet show that discount stores are expected to pick-up 4% in 1980 while department stores are forecast to lose a like amount of volume.

Catalog showrooms will pick up 2% over 1979 and 1% shares each are forecast for catalog chains and other. ●

6th Annual Housewares Statistical & Marketing Report

PERSONAL CARE

Analysis

Personal Care Products Unit Sales

	1980*	1979*	% Change
Bed Coverings (electric)	5,791	5,125	+ 13
Curling Brushes	1,750	875	+ 100
Curling Irons/Styling Wands, Total	6,734	6,463	+ 4
Dry	4,339	4,075	+ 6
Mist	2,395	2,388	N.C.
Facial Saunas	600	550	+ 9
Foot Massagers/Baths	1,000	750**	+ 33
Hair Dryers, Total	18,741	18,488	+ 1
Pistol	13,984	12,267	+ 14
Styling	3,900	5,200	- 25
Hard Top	447	539	- 17
Soft Bonnet	410	482	- 15
Hair Setters, Total	2,810	2,382	+ 18
Dry	1,014	604	+ 68
Mist	1,796	1,778	+ 1
Heating Pads	4,389	4,100	+ 7
Make-Up Mirrors	1,733	1,633	+ 6
Massagers, Hand-Held Body	892	830	+ 7
Massagers, Shower	1,975	1,885	+ 5
Nail Care Devices	1,232	1,325	- 7
Oral Hygiene Devices, Total	1,680	1,650	+ 2
Water Pulsators	1,150	1,126	+ 2
Electric Toothbrushes	530	524	+ 1
Scales, Total	8,612	8,106	+ 6
Regular	7,609	7,316	+ 4
Digital	1,003	790	+ 27
Shavers, Total	6,155	5,960	+ 2
Men's	4,862	4,675	+ 4
Women's	1,293	1,285	+ 1
Skin Cleaners, Face & Body	780	865	- 10

(*final 000's omitted)

Personal Care Sales by Type of Outlet

	% 1980	*% 1979*
Catalog Chain (Sears, Penney's etc.)	6	6
Catalog Showroom	27	25
Department Store	13	17
Discount Store	32	31
Drug Chain	13	11
Housewares/Hardware	5	6
Variety Store	4	4

Hand-Held Dryer Sales by Wattage

	% 1980	*% 1979*
Less than 500 watts	1	1
500 - 750 watts	7	13
800 - 950 watts	13	28
1,000 - 1,200 watts	60	49
Over 1,200 watts	19	9

Curling Iron Sales by Type

	% 1980	*% 1979*
Dry	70	60
Mist	30	40

Hair Setter Sales by Type

	% 1980	*% 1979*
Dry	30	24
Mist	70	76

Shaver Sales by Type

	% 1980	*% 1979*
Men's, Total	80	80
Cord	43	45
Cordless	37	35
Women's, Total	20	20
Cord	14	14
Cordless	6	6

Scale Sales by Type of Outlet

	% 1980	*% 1979*
Catalog Chain (Sears, Penney's etc.)	13	13
Catalog Showroom	28	28
Department Store	9	10
Discount Store	34	33
Drug Chain	5	4
Home Improvement Center	3	3
Housewares/Hardware	3	3
Variety Store	5	6

Scale Sales by Retail Price Range

	% 1980	*% 1979*
Under $10	30	34
$10 — $19	34	34
$20 — $29	15	12
$30 — $40	14	14
Over $40	7	6

Curling brushes making it big

Personal care definitely appears a positive for the 1980's. With the exception of nail care devices and face & body skin cleaners, all products tracked by *Merchandising* are in the plus column for this year.

The product with the single largest percentage gain over a year ago—and not surprisingly since it is not much older in the market place—is the curling brush category, projected 100% ahead of 1979. This brings the total unit count to 1.75 million.

Volumewise, hair dryers are personal care. With a 1% increase forecast, the total is 18.7 million units—the bulk of which are imported. Based on figures from U.S. Customs, some 15.7 million hair dryers were imported in 1979 (*Merchandising*, March, 1980, p. 58).

Of the four sub-categories, the hand-held pistol type accounts for the largest share, almost 14 million units with a projected 14% increase over last year. Although slated to lose 25% in volume, styling dryers are way behind in second place at just about four million units. Trailing are hard tops at a count of 447,000 and soft bonnets, totaling 410,000. Both are down from 1979, 17% and 15% respectively.

Curling irons/styling wands (and this may also include some curling brushes since all suppliers have not separated the categories yet) are forecast up 4% for a total volume of 6.7 million units.

Total shavers with a 3% gain projected, pass the six-million mark. Men's shavers up 4% account for almost 4.9 million of this market. The gain for women's shavers is put at 1%.

For energy savers and athletes

Electric blankets (bed coverings), perhaps reflecting consumer's concern about saving energy, are projected 13% ahead of 1979, bringing the total unit count to 5.8 million.

The 7% gain seen for heating pads must be credited in part to the new flexible units as well as the "more active ME" generation.

Hair setters are set for a healthy 18% increase. While mist units still outnumber the dry, the latter is projected for the largest percentage gain, 68%. An industry executive said this was the result of the increase in promotional units which have recently entered the marketplace.

Other personal care appliances with volumes over the one-million level and projected for increases this year include shower massagers, water pulsators and make-up mirrors.

Just hitting the million mark with a 33% increase forecast are foot massagers/baths. This reflects another "feeling good" need.

Unit sales of standard personal care items by type of retail outlet show catalog showrooms gaining 2%; housewares/hardware stores, 2% and drug chains, 1%, at the expense of department stores, with just a little help from variety stores.

Hand-held dryer sales by wattage show that 79% of the volume is now done with units of 1,000 to over 1,200 watts.

While almost 70% of curling iron sales are the dry units as opposed to the wet, this ratio is just the reverse for hair setters, even though the dry segment has picked up a 6% increase since last year.

Men's cordless shavers are projected for a 2% gain over 1979 to total 37% of total units but no such shift is noted for women's shavers.

Scales are weighty entry

Scales were placed in the personal care category for the first time in the May Forecast issue. total volume—projected at 8.6 million units—places them just after hair dryers. Regular units, slated for a 4% increase, total 7.6 million and digital scales with a 27% increases projected, total just over the one-million mark.

Scale sales by type of outlet show only one-percentage-point changes with discount stores and drug chains each picking up a point and department and variety stores each losing one.

Scale sales by retail price range reveal that more than 60% will be sold for under $20. Units selling for over $40 have gained 1% over a year ago. This indicates there must be at least one digital scale out in the marketplace selling for under $40. ●

FLOOR CARE

Analysis

Industry projects vac sales down

Industry estimates for total vacuum cleaner sales for 1980 are set at 8.75 million units, a drop of 2% from the 8.9 million recorded in 1979.

While upright cleaners retain the 1% increase forecast in May, canisters are now expected to drop below the 3-million mark, off 6% from a year ago.

Despite a 6% gain in unit sales of hand-held lightweights, a 4% decrease in the sticks, puts this subcategory 2% below the 1.62 million units shipped in 1979.

A 5% increase projected for carpet sweepers puts the 1980 unit total at 1.36 million units.

Floor polishers are forecast to fall below the 500,000 level, off 13% from a year ago.

Taking a point each from department stores, door-to-door and vacuum cleaner shops, catalog showrooms post a 3% gain in unit sales of upright and canister vacs.

Market shares for other types of retail outlets remain virtually unchanged from 1979.

Reflecting the trend to trade-up when purchasing a new upright cleaner, as well as overall price increases resulting from the inflationary economy, sales of these units priced under $70 are projected down 10% from last year.

Uprights priced from $71 to $100 are pegged up 2%; those in the $151 to $250 range, at 16% and units over $250, are forecast to have a 7% share.

Canister-type sales follow a similar trend with those carrying retail tickets of over $100 taking a 6% market share away from the lower-priced units.

Lightweight sales by type of retail outlet forecast catalog showrooms and discount stores will cut in on business done a year ago by department stores, home improvement centers and housewares/hardware stores.

Unit sales of lightweight cleaners by retail price range put 51% of 1980 business in the $31 to $50 range.

Those carrying tickets of under $20 (2%) and over $50 (12%) remain unchanged from a year ago, while uprights in the $21 to $30 bracket are expected to have a 2% decrease in unit sales. ●

Upright Vac Sales by Retail Price Range

	% 1980	*% 1979*
Under $70	29	39
$71 - $100	30	28
$101-$150	18	16
$151 - $250	16	17
Over $250	7	17

Canister Vac Sales by Retail Price Range

	% 1980	*% 1979*
Under $ 50	14	17
$51 - $ 70	12	13
$71 - $100	26	28
$101 - $150	11	42
Over $150	37	42

Lightweight Sales by Type of Outlet

	% 1980	*% 1979*
Appliance/tv	5	5
Catalog Chain (Sears, Penney's, ect.)	13	13
Catalog Showroom	20	15
Department Store	23	26
Discount Store	22	20
Drug Chain	3	3
Furniture Store	2	4
Home Improvement Center	3	5
Housewares/Hardware	3	4
Vac Shop	3	3
Other	3	2

Floor Care Unit Sales

	*1980**	*1979**	*% Change*
Vacuum Cleaners, Total*	8,750	8,922	-2
Canister	2,906	3,094	-6
Upright	4,242	4,200	+ 1
Lightweight, Total*	1,602	1,628	-2
Hand-Held	374	353	+ 6
Sticks	1,228	1,275	-4
Carpet Sweepers	1,365	1,300	+ 5
Floor Polishers	448	512	-13

Canister & Upright Vacuum Sales by Type of Retail Outlet

	% 1980	*% 1979*
Appliance/tv	4	4
Catalog Chain (Sears, Penney's etc.)	25	25
Catalog Showroom	16	13
Department Store	18	19
Discount Store	12	12
Door-to-Door	9	10
Furniture Store	2	2
Home Improvement Center	2	2
Housewares/Hardware	3	3
Vac Shop	8	9
Other	1	1

Lightweight Sales by Retail Price Range

	% 1980	*% 1979*
Under $20	2	2
$21 - $30	35	37
$31 - $50	51	49
Over $50	12	12

CLOCKS

Clock Unit Sales

	1980*	1979*	% Change
Clocks, Grand Total**	27,089	26,664	+ 2
Decorative Wall, Total	5,208	5,066	+ 3
Electric	1,855	1,867	-1
Battery, Total	3,100	2,908	+ 7
Quartz	2,588	2,264	+ 14
Non-Quartz	512	644	-21
Key-Wind	253	291	-13
Kitchen Wall, Total	6,300	6,284	N.C.
Electric	3,103	3,302	-6
Battery, Total	3,197	2,982	+ 7
Quartz	2,882	2,609	+ 10
Non-Quartz	315	373	-16
Alarm, Total	14,666	14,417	+ 2
Electric	6,789	6,688	+ 2
Battery (Quartz)	4,399	4,180	+ 5
Key-Wind	3,478	3,549	-2
Desk/Table/Occasional, Total	915	897	+ 2
Electric	164	165	-1
Battery, Total	490	472	+ 4
Quartz	395	378	+ 4
Non-quartz	95	94	+ 1
Key-Wind	261	260	N.C.

Clock Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's, etc.)	18	18
Catalog Showroom	20	17
Department Store	12	15
Discount Store	29	29
Drug Chain	5	3
Furniture Store	1	1
Home Improvement Center	2	2
Housewares/Hardware	6	6
Jewelry Store	5	7
Other	2	2

Analysis

Quartz movement marks strong time

Clock unit sales are set at 27 million for this year, a 2% gain over 1979. In every group, quartz is coming on strong. Its greatest strength can be seen in wall clocks—decorative models are projected for a 14% increase and kitchen units are up 10%.

Here the big losers are the non-quartz battery models with key-wind decoratives in second place, followed at some distance by electric clocks.

In the alarm clock group, electric units are projected to account for almost half of sales, slated for a 2% gain over last year. Even here, however, quartz has a strong second place position with a 4.4 million unit sales projection.

With a 2% increase forecast, desk/table/occasional clock unit volume equals 915,000. The quartz segment is the strongest, estimated 4% ahead of 1979, for a total volume of 395,000 units.

Sales shifts by type of retail outlets

Catalog showrooms and drug chains, with 3% and 2% gains forecast, respectively, will have a larger piece of the clock action this year. Set to lose business by like amounts are department and jewelry stores. Shares for the other retail outlets listed are in a holding pattern at last year's levels.

Total analog clock unit sales show no statistically significant change from 1979. Wall clocks are forecast ahead while alarms and desk/table/occasional models are seen off.

According to industry estimates, unit sales of digital clocks are set 7% ahead of the previous year.

Digital alarms, which account for the greatest volume—almost five million units—are projected up 7%. Digital desk/table/occasional clocks are slated for a 4% increase; kitchen wall units are seen 2% ahead and no change is forecast for digital decorative wall clocks. ●

Analog Clock Unit Sales

	1980	1979	% Change
Total*	21,523	21,442	N.C.
Decorative Wall	4,737	4,610	+ 3
Kitchen Wall	6,458	6,158	+ 5
Alarm	9,467	9,804	- 3
Desk/Table/Occasional	861	870	- 1

Digital Clock Unit Sales

	1980	1979	% Change
Total*	5,566	5,222	+ 7
Decorative Wall	454	456	N.C.
Kitchen Wall	129	126	+ 2
Alarm	4,955	4,613	+ 7
Desk/Table/Occasional	28	27	+ 4

6th Annual Housewares Statistical & Marketing Report

HOME SECURITY

Home Security Unit Sales

	1980	1979	%Change
Home Security, *Total	17,282	16,858**	+ 3
Smoke Detectors	6,784	6,600	+ 3
Fire Extinguishers	4,788	5,000	- 4
Intrusion Systems	594	475	+ 25
Timers	4,778	4,550	+ 5
Smoke/Fire/ Intrusion Combos	338	233	+ 45

Home Security Sales by Type of Outlet

	%1980	%1979
Catalog Chain (Sears, Penney's, etc.)	19	18
Catalog Showroom	11	11
Department Store	5	11
Discount Store	26	26
Drug Chain	3	2
Electronic Specialty Store	2	3
Housewares/Hardware	13	11
Home Improvement Center	14	11
Mail Order	2	2
Variety Store	1	1
Other	4	4

Smoke Detector Sales by Retail Price Range

	%1980	%1979
Under $10	18	15
$11 - $25	77	77
$26 - $50	4	6
Over $50	1	2

Intrusion System Sales by Retail Price Range

	%1980	%1979
Under $25	17	16
$25 - $49	13	14
$50 - $74	17	17
$75 - $99	17	19
$100 -$125	12	11
Over $125	24	23

Combination Systems by Retail Price Range

	%1980	%1979
Under $100	7	8
$100 -$199	52	50
$200 - $299	33	32
$300 -$399	4	5
$400 -$500	3	4
Over $500	1	1

Analysis

Intrusion device sales creep to half million

Based on industry estimates intrusion devices and smoke/fire/intrusion combination systems are projected for the largest percentage increases over 1979 in this area. The former are expected to pass the half-million mark in unit sales with a 25% gain and the latter are slated up 45% to 338,000 units.

Smoke detectors account for the largest share of the home security market. Unit sales for this year are forecast at almost 6.8 million, a 3% increase from the 6.6 million shipped a year ago.

A newcomer to this category statistically, but certainly no newcomer to the marketplace, timers approach the five-million mark, up 5% over last year.

The sophistication of some of the new models with multiple settings capability—one offers up to 48 on/off applications at 15 minute intervals—and variable-setting features, as well as reasonable prices, make houses look very occupied when no one is home. One of the best ways to discourage would-be intruders.

The only home security item set for a fall this year is fire extinguishers. They are projected down 4%, from five million to 4.8 million units.

Sales by type of retail outlet indicate department stores are projected to lost a 6% market share and electronic specialty shops will be off 1%. Picking up this business are home improvement centers (3%), housewares/hardware stores (2%), drug and catalog chains (1% each).

Sales by retail price range place 95% of smoke detectors in the $25 and under range; 64% of intrusion devices under $100 and 92% of the combination systems under $400.

AIR TREATMENT

Air Treatment Unit Sales

	1980	1979	%Change
Fans, Total*	13,765	13,374**	+ 4
Window	5,089	4,756	+ 7
Kitchen/Bathroom Built-In Exhaust	2,880	3,000	-4
Range & Oven Hood	2,325	2,500	-7
Desk, Bracket, Pedestal	1,429	1,265	+ 13
Roll-About	599	566	+ 6
Hassock or Floor	362	362	N.C.
Ceiling	1,081	825**	+ 31
Electric Heaters, Total	4,935	4,957	N.C.
Fan-Forced	3,367	3,805	-12
Non-Fan-Forced	190	207	-8
Baseboard	390	445	-12
Quartz	988	500	+ 98
Humidifiers	800	850	-6
Vaporizers	1,525	1,400	+ 9

(*final 000's omitted)
(**revised)

Fan Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	2	2
Catalog Chain (Sears, Penney's, etc.)	18	16
Catalog Showroom	8	6
Department Store	8	10
Discount Store	44	42
Drug Chain	3	4
Home Improvement Center	5	6
Housewares/ Hardware	12	14

Heater Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	3	5
Catalog Chain (Sears, Penney's, etc.)	16	15
Catalog Showroom	11	11
Department Store	12	15
Discount Store	34	34
Drug Chain	1	1
Home Improvement Center	5	4
Housewares/ Hardware	16	15
Other	2	0

Humidifier Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	4	4
Catalog Chain (Sears, Penney's, etc.)	46	46
Catalog Showroom	13	12
Department Store	6	8
Discount Store	22	22
Home Improvement Center	1	1
Housewares/Hardware	8	7

Window Fan Sales by Size

	% 1980	% 1979
12-inch	9	12
16-inch	37	36
20-inch	54	52

Desk & Bracket Fan Sales by Size

	% 1980	% 1979
8-inch	3	4
9-inch	16	15
12-inch	42	38
16-inch	39	43

Analysis

Ceiling units help move fan sales up

Industry estimates put unit sales of fans 4% ahead of 1979. Window fans, desk & bracket and roll-abouts all show gains (7%, 13% and 6%, respectively). However, the really big news in this category is the resurgence of ceiling fans, projected for a volume of over one million units.

Decreases are slated for both kitchen/bathroom built-in exhaust fans and range hoods, reflecting the drop in housing starts reported for the year.

Quartz units boost heater sales

Giving heater sales overall a "no change" from 1979 are the quartz units—with a projected 98% increase, they near the one-million count.

While some of the quartz sales are undoubtedly "add-on," the bulk appear to be taking share of market away from all other types . . . they are set for decreases ranging from 8% to 12%.

Of the other two products tracked in the air treatment category, humidifiers are seen off 6% and vaporizers, ahead 9%.

Fan sales by type of retail outlet show catalog chains, catalog showrooms and discounters each picking up a 2% share in this market. Their gains appear to come from losses of 1% and 3% in department stores, home improvement centers and housewares/hardware stores. Appliance/tv dealers maintain the 2% share of sales held in 1979.

Department store heater unit sales are forecast off 3% and appliance/tv stores, 2%. Gains of 1% are projected for catalog chains, home improvement centers and housewares/hardware stores.

The 16-in. and 20-in. window fans are projected to gain shares of unit sales. The 12-in. size is set for a decrease.

In the desk & bracket fans, the middle range—nine-inch to 12-in. sizes—is expected to show the greatest strength as the small eight-inch, and large 16-in. models lose ground. ●

6th Annual Housewares Statistical & Marketing Report

OUTDOOR PRODUCTS

Analysis

Stay-at-homes good for BBQ grill sales

Outdoor Products Unit Sales

	1980*	1979	% Change
Barbecue Grills, Total	11,714	11,098**	+6
Gas	1,433	1,327	+8
Electric	137	136**	+1
Charcoal, Total	10,144	9,635**	+5
Braziers	1,100	1,100**	N.C.
Fireplace	8	8**	N.C.
Hibachis	2,563	2,330	+10
Picnic Grills	3,674	3,602	+2
Smokers	2,556	2,345	+9
Wagons	243	250**	+3
Power Mowers, Total	6,176	6,814	-9
Walk Behind	5,200	5,760	-10
Riding	753	812	-7
Garden Tractors	223	242	-8
Line Grass Trimmers	7,175	7,250	-1
Snow Throwers, Total	907	1,082	-16
Single-Stage	632	784	-19
Two-Stage	275	298	-8

(* final 000's omitted)
(**Revised)

Grill Sales by Type of Outlet

	% 1980	% 1979
Appliance/tv	8	8
Catalog Chain (Sears, Penney's etc.)	19	18
Catalog Showroom	9	9
Department Store	4	5
Discount Store	32	30
Home Improvement Center	6	7
Housewares/Hardware	6	6
L.P. Gas Dealers	11	10
Other	5	7

A 6% increase is forecast this year for all barbeque grills making a total of 11.7 million. Gas grills will almost hit the 1.5-million mark with an 8% gain.

Electric grills are seen up 1% which will bring the total to 137,000 units.

Charcoal units pass the 10-million level with a 5% increase forecast, keeping them far and away the biggest volume item in this category.

Increases of 10%, 2% and 9% are projected for hibachis, picnic grills and smokers, respectively. No change from 1979 is expected for braziers and fireplace grills; wagons are slated for a decrease of 3%.

Except for one or two percentage points, unit sales of grills by type of retail outlets remain about the same as a year ago.

By retail price range, almost two-thirds (65%) of all gas grills sell for $200 or less. Ninety-four percent of electric grills are expected to be ticketed for $100 and under.

Weather strikes power equipment

The weather more than the economy has put projections of power mower, snow thrower and line trimmer unit sales way down for the season.

Total power mower sales are forecast off 9%; the 5.2 million level set for walk-behind units is 10% down from 1979. Riding mower volume set at 753,000 is down 7% and garden tractor sales projections of 223,000 reflect an 8% decline.

Total snow thrower units sales drop below the one-million mark with a 16% decrease forecast. The single stage units are seen off 19% and the two stage, 8%.

Still holding above the seven-million unit count, line grass trimmers are forecast for a 1% drop in volume this year.

Reflecting inflationary price increases, no walk behind power mowers are slated to sell under $70. The most popular price points will range from $75 to $200—85% of projected volume falls in this bracket.

Snow thrower sales by price range show 71% selling from under $100 to $400.

Outdoor Power Equipment Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's etc.)	27	28
Catalog Showroom	3	3
Department Store	4	4
Discount Store	18	18
Home Improvement Center	6	5
Housewares/Hardware	18	18
Other	6	6

Gas Grill Sales by Retail Price Range

	% 1980	% 1979
Under $100	17	24
$100 - $200	48	39
$201 - $300	21	22
$301 - $400	11	11
Over $400	3	4

Electric Grill Sales by Retail Price Range

	% 1980	% 1979
Under $60	43	37
$60 - $70	14	15
$71 - $80	16	18
$81 - $90	11	13
$91 - $100	10	11
Over $100	6	6

Walk-Behind Power Mower Sales by Retail Price Range

	% 1980	% 1979
Under $70	0	2
$71 - $100	17	16
$101 - $150	38	38
$151 - $200	19	18

Walk-Behind Power Mower Sales by Size

	% 1980	% 1979
19-inch & under	13	12
20-inch	36	38
21-inch	25	25
22-inch	26	25

Snow Thrower Sales by Retail Price Range

	% 1980	% 1979
Under $200	7	10
$201 - $300	48	44
$301 - $400	16	16
$401 - $500	9	10
Over $500	20	20

PLASTICWARE

Plasticware Unit Sales

	1980*	1979*	% Change
Canister Sets	3,857	4,060	-5
Dish Drainers	6,755	6,521	+4
Ice Buckets	1,228	1,275	-4
Organizers	30,873	29,125	+6
Soap Dishes	2,997	2,975	+1
Wastebaskets	12,234	11,871	+3

(* final 000's omitted)

Plasticware Sales by Type of Outlet

	% 1980	% 1979
Catalog Chain (Sears, Penney's etc.)	18	20
Catalog Showroom	8	6
Department Store	10	12
Discount Store	27	25
Drug Chain	5	4
Housewares/Hardware	8	8
Supermarket	14	13
Variety	4	4
Other	6	8

Analysis

Organizers lead 'staple' strength

Of the half dozen items tracked in this category, four are expected to show gains over 1979. All of these are definitely "staples," which is certainly indicative of where the bulk of plasticware business still is today.

Leading this group with a 6% increase projected are the organizers—part of the ever-growing storage scene, as well as longtime household necessities—at a count above 30-million units. Next come dishdrainers forecast 4% ahead of 1979; wastebaskets, 3% ahead and soap dishes, up 1%.

Canister sets, estimated at 3.85 million units are off 5% and ice buckets set to total just over 1.2 million in volume, are marked for a 4% decrease.

Units sales by type of retail outlet show catalog showroom and discount stores each gaining 2% shares in this market. Department stores and catalog chains, conversely, are set to lose 2% shares.

Industry estimates show drug chains and supermarkets each picking up one percentage point in 1980 plasticware sales. No change is forecast for housewares/hardware or variety stores.

Other types of retail outlets which include specialty shop are slated for a 2% drop in unit sales.

Merchandising's TOP 50

	Last month's position	Months on chart
1. **Alien** *(Magnetic Video)***	4	2
2. **"10"** *(WCI Home Video)*	1	4
3. **Superman** *(WCI Home Video)*	2	7
4. **The Muppet Movie** *(Magnetic Video)*	3	3
5. **Animal House** *(MCA Distributing)*	5	3
6. **Enter the Dragon** *(WCI Home Video)*	11	5
7. **A Star is Born** *(WCI Home Video)*	21	2
8. **The Godfather** *(Paramount Home Video)*	7	14
9. **Grease** *(Paramount Home Video)*	6	6
10. **Emmanuelle** *(Columbia Pictures Homes Entertainment)*	16	4
11. **Norma Rae** *(Magnetic Video)*	8	3
12. **Blazing Saddles** *(WCI Home Video)*	9	6
13. **Jaws** (MCA Distributing)	10	3
14. **Electric Horseman** *(TVX Distributors(*	13	2
15. **The Boys from Brazil** *(Magnetic Video)*	N	1
16. **The Godfather II** *(Paramount Home Video)*	15	11
17. **Saturday Night Fever** *(Paramount Home Video)*	12	14
18. **The Jerk** *(MCA Distributing)*	38	2
19. **The Deer Hunter** *(MCA Distributing)*	31	3
20. **Smokey and the Bandit** *(MCA Distributing)*	14	3
21. **Halloween** *(Media Home Entertainment)*	18	4
22. **M*A*S*H** *(Magnetic Video)*	17	23
23. **The Sound of Music** *(Magnetic Video)*	22	18
24. **"1941"** *(MCA Distributing)*	36	2
25. **Midnight Express** *(Columbia Pictures Home Entertainment*	19	4
26. **Silver Streak** *(Magnetic Video)*	24	6
27. **The In-Laws** *(WCI Home Video)*	25	5
28. **Heaven Can Wait** *(Paramount Home Video)*	23	6
29. **The Exorcist** *(WCI Home Video)*	26	6
30. **Hooper** (WCI Home Video)	40	5
31. **Patton** *(Magnetic Video)*	27	23
32. **Foul Play** *(Paramount Home Video)*	44	6
33. **All the President's Men** *(WCI Home Video)*	N	5
34. **The Graduate** *(Magnetic Video)*	47	20
35. **The Omen** *(Magnetic Video)*	37	4
36. **Murder on the Orient Express** *(Paramount)*	46	11
37. **Dirty Harry** *(WCI Home Video)*	20	6
38. **Barbarella** *(Paramount Home Video)*	30	11
39. **The African Queen** *(Magnetic Video)*	29	14
40. **Oh God!** *(WCI Home Video)*	34	5
41. **The Wild Bunch** *(WCI Home Video)*	28	4
42. **Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	33	11
43. **Harold & Maude** *(Paramount Home Video)*	N	6
44. **Hello Dolly** *(Magnetic Video)*	N	22
45. **Tora! Tora! Tora!** *(Magnetic Video)*	35	23
46. **The French Connection** *(Magnetic Video)*	43	23
47. **Death Wish** *(Paramount Home Video)*	N	7
48. **The Deep** *(Columbia Picture Home Entertainment)*	39	7
49. **Chinatown** *(Paramount Home Video)*	N	7
50. **The Longest Yard** *(Paramount Home Video)*	49	7

***Companies in parentheses are distributors.*
**Survey is based on retail sales.*

BEST AVAILABLE COPY

Retail Opinion File

A majority of housewares retailers expect 1980 holiday sales to exceed those of 1979

Fifty-three percent of housewares retailers responding to this month's Retail Opinion File expect Christmas sales to be above those of 1979. Another 33% see them unchanged. Only 14% are looking for a down year.

As one respondent commented, "We will have a good year because we intend to work harder to make more sales. Our store will be open more evenings as a convenience for working couples."

Automatic drip coffeemakers and toaster/toaster ovens tie for top honors as the housewares categories retailers responding believe will bring in the highest volume of business in the fourth quarter.

Food processors come next with 30%; followed by cornpoppers, heaters and non-stick cookware, each getting a 23% vote.

Ranging from 16% to 14% are vacuum cleaners, hair dryers, conventional cookware, irons and clocks.

Top 12 support basics claims

These top 12 items support previously reported claims that this will be a very "basic" year for housewares.

While a number of retailers replying indicated promotions and advertising were very important this year, 51% stated their expenditures for same will remain unchanged.

Thirty-nine percent feel they will spend from 1% to over 15% more—the greatest number, 20%, see the increase in the 6% to 10% range. Only 10% feel they will spend less.

Despite the fact that Thanksgiving falls late this year, only 19% of housewares retailers answering said they expect Christmas consumer buying to begin later. Over half, 55% believe it will be about the same as 1979 and 26% think it might begin earlier.

More shopping for best price

One reason given for thinking the season might begin earlier is that "there wil be a lot more shopping for best price," as one merchant commented.

The split between those housewares dealers who expect consumers to be more reluctant to buy on credit and those that don't is very narrow this year-49% don't expect less charging this Christmas while 42% believe there will be a reduction. The other 9% were undecided.

As tickets for housewares products get higher with the introduction of sophisticated electrics—food processors and convection ovens—and cookware sets priced from $150 to over $500, Christmas layaway plans are becoming a factor in this marketplace. All but 7% of the respondents used layaways in 1979 and plan to use them again this year.

Of the 93% that have used layaway plans both years, 58% expect them to be used more heavily this year. Supporting this trend are the 26% of housewares retailers who expect consumers to begin shopping earilier for Christmas this year, as well as the 42% who feel they will be more reluctant to buy on credit.

A purchase large enough to merit a layaway plan arrangement, will have to be picked out early so it is paid for by Dec. 24.

Coffeemakers are heavies

Asked which *one* product dealers will give the heaviest promotional push to this Christmas, most (16%) responded with coffeemakers; vacuum cleaners and cookware were a close second with 14% each; convection ovens, heaters and food processors each had an 8% share of the vote.

What at first seemed surprising is that only 3% picked cornpoppers, a natural for the holidays. That, of course, may well be the reason they don't have to be given promotional emphasis.

Other products included blenders, irons, home security devices and SilverStone cookware. If the 5% cited by respondents for the latter is added to the 14% given for "cookware," it places this category outfront with a 19% total.

Almost three-fourths of housewares retailers responding to the Opinion File plan to have about the same sales help for Christmas this year as they had in 1979. Seven percent expect to hire less extra holiday help, 5% more, and 17% indicated they "don't hire extra help."

Coffeemakers seen big for holidays

What change do you expect in your Christmas sales in 1980 compared to 1979?

Up over 20%	4%
Up 16 -20%	15%
Up 11 - 20%	14%
Up 6 - 10%	14%
Up 1 - 5%	6%
Unchanged	33%
Down 1 - 5%	2%
Down 6 - 10%	8%
Down over 10%	4%

Which of the following is likely to be your highest volume housewares category during the fourth quarter of 1980?

Automatic drip coffeemakers	33%
Toaster/Toaster-ovens	33%
Food processors	30%
Cornpoppers	23%
Heaters	23%
Non-stick cookware	23%
Vacuum cleaners	20%
Microwave cookware	16%
Hair dryers	15%
Conventional cookware	14%
Clocks	14%
Irons	14%
Home security devices	8%
Blenders	7%
Convection ovens	2%
Scales	2%

**Adds to more than 100% because of multiple replies.*

What canges do you expect in your expenditures for Christmas advertising and promotion in 1980 compared with 1979?

Up over 15%	6%
Up 11 - 15%	6%
Up 6 - 10%	20%
Up 1 - 5%	7%
Unchanged	51%
Down 1 - 5%	1%
Down 6 - 10%	3%
Down 11 - 15%	4%
Down over 15%	2%

Do you expect Christmas consumer buying to begin earlier or later in 1980 than it did in 1979?

Earlier	26%
About the same	55%
Later	19%

Do you expect any reluctance by consumers to buy on credit this holiday season?

Yes	42%
No	49%
No opinion	9%

With regard to Christmas layaway plans:

(a) In which of the following years did you use them?

1979	3%
1980	4%
Both	93%

(b) If both, do you expect it to be used more heavily in 1980?

Yes	58%
No	31%
No opinion	11%

To which one product do you expect to give the heaviest promotional push this holiday selling season?

Coffeemakers	16%
Vacuum cleaners	14%
Cookware	14%
Convection ovens	8%
Heaters	8%
Food processors	8%
Pasta machines	5%
Toasters	5%
Hair dryers	5%
Cornpoppers	3%
Other	14%

At this time do you plan to hire as much extra sales help as you did last year for Christmas selling?

More help	5%
About the same	71%
Less help	7%
Never hire extra help	17%

Retail Opinion File

Electronics dealers are generally optimistic about the upcoming Christmas selling season

Consumer electronics retailers are generally—perhaps even surprisingly—optimistic about this coming Christmas selling season—all things considered.

In their responses to *Merchandising's* Retail Opinion File survey, many of them complained about the economy, tight credit, low level store traffic and even product saturation (mostly audio), but almost half of the respondents indicated a belief that sales will be better this Christmas selling season than they were for the same period in 1979. Another 34% estimated their home electronics sales will be about the same as a year ago and 21% said they're looking for lower sales this Christmas.

Many retailers said they expect consumers to be much more cautious in their buying this year and about one-quarter of the retailers responding said they expect consumers to make their purchases later in the year than they did in '79.

"People are probably going to shop more with price being bigger factor," wrote an audio/hifi specialty operator.

Several other retailers agreed.

"Consumers will shop more and not do as much impulse buying," another hifi specialist noted.

Still another retailer wrote: "There could be a trend for more conservative purchases and the more practical gifts. This could hurt sales of the more deluxe items."

Customers concerned about quality

As many merchants commented that people would be as interested in price as said they expect consumers to be more concerned this year about quality.

"People will be shopping price," one retailer noted, "and this will make it more competitive for the dealer."

Others are concerned about unemployment, particularly those in areas hardest hit by general layoffs and plant closings.

A hifi specialist located in a Detroit suburb said his Christmas business will depend on 1981 automobile model introductions and expectations for auto sales in 1981. "Christmas will break down pent-up demand as it did in '79," this retailer wrote, "but overall results will depend on the economy and—very important—the November election results. Any change will give people 'hope' and probably will encourage buying. Let's hope so."

A plus location these days seems to be Atlantic City, N.J. "It's about six miles away," a dealer told us, "and going crazy with construction and casinos. We expect a banner year and great Christmas sales. The population is rising every day and each month shows an increase in floor traffic and sales."

Several retailers focused their comments on the November elections, and were unusually partisan.

"The election will be over and hopefully a change in political leaders will give consumers a better outlook on the economy. I think it will be a good Christmas season, especially for those stores that buy their video inventories early. I think December will see a shortage in VCR machines and accessories."

Asked what one aspect about this Christmas selling season may differ from previous years, one dealer wrote that consumers' buying power is dwindling along with their savings and the higher cost of living. "We need a big change in Washington if this country is to survive, which at this writing I have very little hope for."

'Government policy is a mess'

Another wrote: "Government policy toward inflation, unemployment benefits and taxes is a mess. We need more unemployment benefits. Let's get money into the hands of consumers."

Interestingly, although hifi sales haven't been very strong this year, more than half (actually 54%) of the survey respondents identified hifi as "likely" to be one of their highest volume electronics categories during the fourth quarter when asked to check off products from a list in our questionnaire.

However, to the question about which *one product* they expected to give their heaviest promotional push this Christmas selling season, retailers were invited to simply write in that product. Again, the biggest majority mentioned audio and hifi products, but a very small percentage (1% in each case) selected either videodisc players, currently in limited distribution in only certain market areas, and projection tv, a very high ticket item by most consumer standards.

Ad budgets about the same as '79

Most retailers also said they expect to spend about as much this year on advertising and promotions at Christmas time as they did in '79, but a fairly significant number (about 29%) also said they'll spend more this year.

One of the more optimistic retailers commented that sales this Christmas will be "better" than last year's. But then he added, "I hope."

Hifi seen as volume winner

What change do you expect in your Christmas sales in 1980 compared to 1979?

Up over 20%	6%
Up 16-20 %	6%
Up 11-15%	7%
Up 6-10%	20%
Up 1-5%	6%
Unchanged	34%
Down 1-5%	2%
Down 6-10%	8%
Down 11-15%	4%
Down 16-20%	5%
Down over 20%	2%

Which of the following is likely to be your highest volume electronics category during the fourth quarter of 1980?*

Hifi components	54%
Color tv	49%
Compact stereo	36%
Autosound	34%
Videocassette recorders	24%
Portable tape recorders	21%
Clock radios	12%
Radios	12%
Tv games	12%
Electronic games	11%
Prerecorded videocassettes	6%
Calculators	4%
Personal Computers	2%
Telephones	1%
Telephone answerers	1%

**Adds to more than 100% because of multiple replies.*

What change do you expect in your expenditures for Christmas advertising and promotion in 1980 compared to 1979?

Up over 20%	37%
Up 16-20%	4%
Up 11-15%	3%
Up 6-10%	15%
Up 1-5%	4%
Unchanged	58%
Down 1-5%	1%
Down 6-10%	6%
Down 11-15%	2%
Down 16-20%	2%
Down over 20%	2%

Do you expect Christmas consumer buying to begin earlier or later in 1980 than it did in 1979?

Earlier in '80	21%
About the same	55%
Later in '80	24%

Do you expect any reluctance by consumers to buy on credit this Christmas selling season?

Yes	49%
No	42%
No opinion	9%

With regard to Christmas layaway plans:

A) In which of the following years did you use them?

1979 —	7%
1980 —	5%
Both —	88%

B) If "both," do you expect it to be used more heavily in 1980?

Yes	51%
No	37%
No opinion	12%

To which one product do you expect to give the heaviest promotional push this Christmas selling season?

Audio/hifi	29%
Color tv	20%
B/W tv	17%
VCR	12%
Autosound	10%
Computers	4%
Electronic games	3%
Tv games	2%
Videodiscs	1%
Prerecorded videocassettes	1%
Projection tv	1%

Do you plan to hire as much extra sales help for Christmas as you did last year?

More help	5%
About the same	54%
Less help	12%
Don't hire extra help	29%

For more Christmas planning, see pages 64-71

BEST AVAILABLE COPY

A GRALLA PUBLICATION

OCTOBER 1980

Merchandising

THE NATIONAL MAGAZINE FOR ELECTRONICS ■ HOUSEWARES ■ MAJOR APPLIANCE RETAILERS

10/31/80 C 4200-1 U

50-A 0233A 8106 UL
JOE MC NALLY-CONG INFO
SRI ACQUISITION -SVC
7101 WISCONSIN AVE
WASHINGTON DC 20014

Bloomingdale's Expanding Video Training

Merchandising

FOR OVER 54,500
RETAILERS & WHOLESALERS

OCTOBER 1980

8th National Consumer Survey

A lot of new ground is covered in *Merchandising*'s eighth national Consumer Survey based on personal interviews with almost 1,000 consumers in the nine demographic regions of the country. In addition to the long-standing series of questions dealing with specific products in electronics, housewares and major appliances, as well as those covering such topics as consumer replacement plans and brand identification perception, this year's report includes other product categories — videodisc players, cookware, electronic games, convection ovens — and services — cable television and credit card use.

In addition to the hard statistical tabulations, Ron Schneiderman, editor, found what consumers are really thinking as he analyzed the data reported here.

18

Cover photo by Nava Benjamini.

STORE OPERATIONS

48

Bloomingdale's video studio helps solve employee training problems

Bloomingdale's New York has found a solution to the dilemma of training new saleshelp during busy seasons — a video studio. Reporter Eileen Delaney believes even the small retailer might benefit from a modification of such a program.

According to Bloomingdale's director of training, Elaine Mimbach, the store has been using videotapes to train employees for about five years . . . not only new help gets the video message but those on the job wishing to advance and, occasionally, customers.

* * *

. . . *and:* CSSI reports teenage shoplifters most troublesome for discounters; Retail applications of minicomputers.

Happenings

60

• **Television rentals** are estimated at 5% of the nation's color set sales. Double-digit inflation along with dwindling savings have convinced many consumers that renting a color tv is a better deal than owning one.

• **U.S. Pioneer Electronics** LaserDisc optical videodisc player goes national and will be in virtually all markets by the end of this month. At its dealers' meeting in the Bahamas, the company also disclosed Christmas hifi programs.

• **The EPA's proposal** to limit chlorofluorocarbons (CFCs) that may be released into the atmosphere, if passed, will have a definite impact on the appliance industry. Bob Gatty gets reactions from some business executives and a rebuttal from an EPA analyst.

• **A shortage of video games** for the Christmas selling season is feared, William Silverman, associate editor reports. Despite valiant attempts by suppliers, dealers have held back on ordering and, as one manufacturer noted, "It's already too late."

Record stores expand previd stocks

44

Hikes of more than 50% in prerecorded videocassette sales are convincing record retailers to increase the number of titles they carry, as well as the number of outlets in which to sell the product. Not surprisingly, Joe Allen, associate editor, found most of the action heating up on the West Coast.

NFL bids for piece of VC pie

With an introduction of 20 prerecorded programs of football highlights, some National Football League execs are making a bid to compete in the videocassette market this year. Reporter Eric Menkes learned from David Grossman, director of video sales, that NFL Films has sold 13,000 cassettes to its distributor network.

* * *

. . . *and: Merchandising*'s Top 50.

Trendings

6

• A fourth quarter bonanza appears underway for video sales . . . at least for those retailers who've successfully parlayed the trends to date.

• Air conditioner sales during the long hot summer plus innovative fall promotions have heightened the beat of major appliance movement at retail.

• More retailers are testing the marketability of home computers, following in the footsteps of Radio Shack which "has proven it's a quantity business."

• Catalog showrooms claim to be doing a better than ever job in audio/hifi sales. Manufacturers reluctantly tend to support this claim.

• Buyers report plastics remained hot during fall promotions lauched in holiday heat, but cookware sales cooled off some.

• BPs - basic products, best prices and barn-busting promotions — take center ring for exciting electric housewares business ahead.

PULSE: Items that make little spaces bigger

66

The high-cost of living space is helping buyers — particularly those in densely populated areas — sell the storage concept. Bill DeSiena, assistant editor, found that sales of grids, stackables, bins, baskets and canisters are ahead 10% to date over 1979.

Coming in November

★ ***1981 Supplier Directory & Product Guide — the industry's first reference guide to housewares, major appliances and electronics.***

★ ***6th Annual Major Appliance Statistical & Marketing Report.***

Changes ahead for appliance dealers?

4

The FTC is taking a new look at two of its major regulations — energy cost labeling and warranty guidelines. The results could alter the way appliance dealers sell.

Product Picture

Housewares 53-55
Major Appliances 56-57
Electronics 58-59

A GRALLA PUBLICATION
VOL. 5, NO. 10 OCT. 1980

Ron Schneiderman, assoc. publisher
Jared Liebowitz, assoc. publisher

Executive offices: 1515 Broadway, New York, N.Y. 10036
Aaron Neretin, editorial & marketing consultant

Editorial Offices: New York (212) 869-1300; Chicago (312-463-1102)
Editor . . . . . . Ron Schneiderman
Managing Editor . . . . . . Lois A Panosh
Associate Editors:
William Silverman
Joe Allen
Jack Blood (Chicago)
Assistant Editor . . . . . . Bill DeSiena
Field Editors . . . . . . Eileen Delaney
Barbara Smith
Research Director . . . . . . Robert A. Leibson
Research Associate . . . . . . Selma Book

CORRESPONDENTS:
Albany, NY, Marilyn Nason; **Atlanta, GA,** Leara Rhodes; **Baltimore, MD,** Susan Bautz; **Buffalo, NY,** Gus Patuto; **Cleveland, OH,** Louis Oswald; **Dallas, TX,** Phyllis Dishman; **Denver, CO,** Ralph Latimer; **Detroit, MI,** Don Shakespeare; **Greensboro-High Point, NC,** Martha Clontz; **Honolulu, HI,** Jesse Bowman; **Houston, TX,** Kit van Cleave; **Indianapolis, IN,** Fred Engelking; **Los Angeles, CA,** Marvin Smalheiser; **Memphis, TN,** Vicki Hancock; **Minneapolis, MN,** Irene Clepper; **Nashville, TN,** Charlotte Parrish; **New Orleans, LA,** Marilyn Nelson; **Omaha, NE,** Robert Erxleben; **Philadelphia, PA,** William Storm; **Phoenix, AZ,** Joyce Bass; **Pittsburgh, PA,** Elizabeth Morgan; **Portland, OR,** Todd Blake; **San Francisco, CA,** Ruth Webber; **Seattle, WA,** Harriet King; **Tampa, FL,** George Tillett; **Washington, DC,** Andrea Chancellor

MARKETING/ SALES SERVICES
Director . . . . . . Jared Liebowitz
Promotion Director . . . . . . Peggy I. Sholtz
Production Director . . . . . . Barry Miller
Production Manager . . . . . . Jody Neblett
Production Assistant . . . . . . Karen Sheaf
Circulation Director . . . . . . James Fischer

Circulation Manager . . . . . . Marie Kowalchuk
Classified Manager . . . . . . Nancy Leffler
Eastern Regional Office:
1515 Broadway, N.Y., 10036
Susan Matthews
Marvin Lewis
Midwest Regional Office:
3525 W. Peterson Ave., Chicago, IL 60659
Tom Galligan (312) 463-1102
West Coast Regional Office:
16200 Ventura Blvd., Encino, CA 91436
Dick Sewell (213) 788-0271

GRALLA PUBLICATIONS
Bank Systems & Equipment · Catalog Showroom Business · Contract · Giftware Business · Health Care Product News · Kitchen Business · Meeting News · Multi-Housing News · National Jeweler · Premium/Incentive Business · Professional Furniture Merchant · Sporting Goods Business

PRESIDENT—Lawrence Gralla. **EXECUTIVE VICE PRESIDENT**—Milton Gralla. **VICE PRESIDENTS**—Howard S. Rauch, Frank A. Rizzo, Peggy I. Sholtz, Marshall D. Siegel, Morton L. Silverman. **TREASURER**—Rosalind Schacknow

MERCHANDISING (USPS 104-810) is published monthly by Gralla Publications, 1515 Broadway, New York, N.Y. 10036. Telephone (212) 869-1300. (Subscription information (212) 869-1569.) Circulated free of charge to individuals involved in the retailing of major appliances, housewares and consumer electronics. All other U.S. subscriptions $30.00 per year. Foreign subscriptions $40.00 per year. Single copies $3.00 except for March and May issues $15.00. Controlled circulation postage paid at Dayton, Ohio 45401.

SUBSCRIBERS: Send change-of-address notices, correspondence regarding subscription service to MERCHANDISING, 1515 Broadway, New York, N.Y. 10036. Change-of-address notices should be sent promptly; provide old as well as new address, include ZIP code number and address label from recent issue. Please allow one month for change of address to become effective.

POSTMASTER: Send address changes to MERCHANDISING, 1515 Broadway, New York, NY 10036.

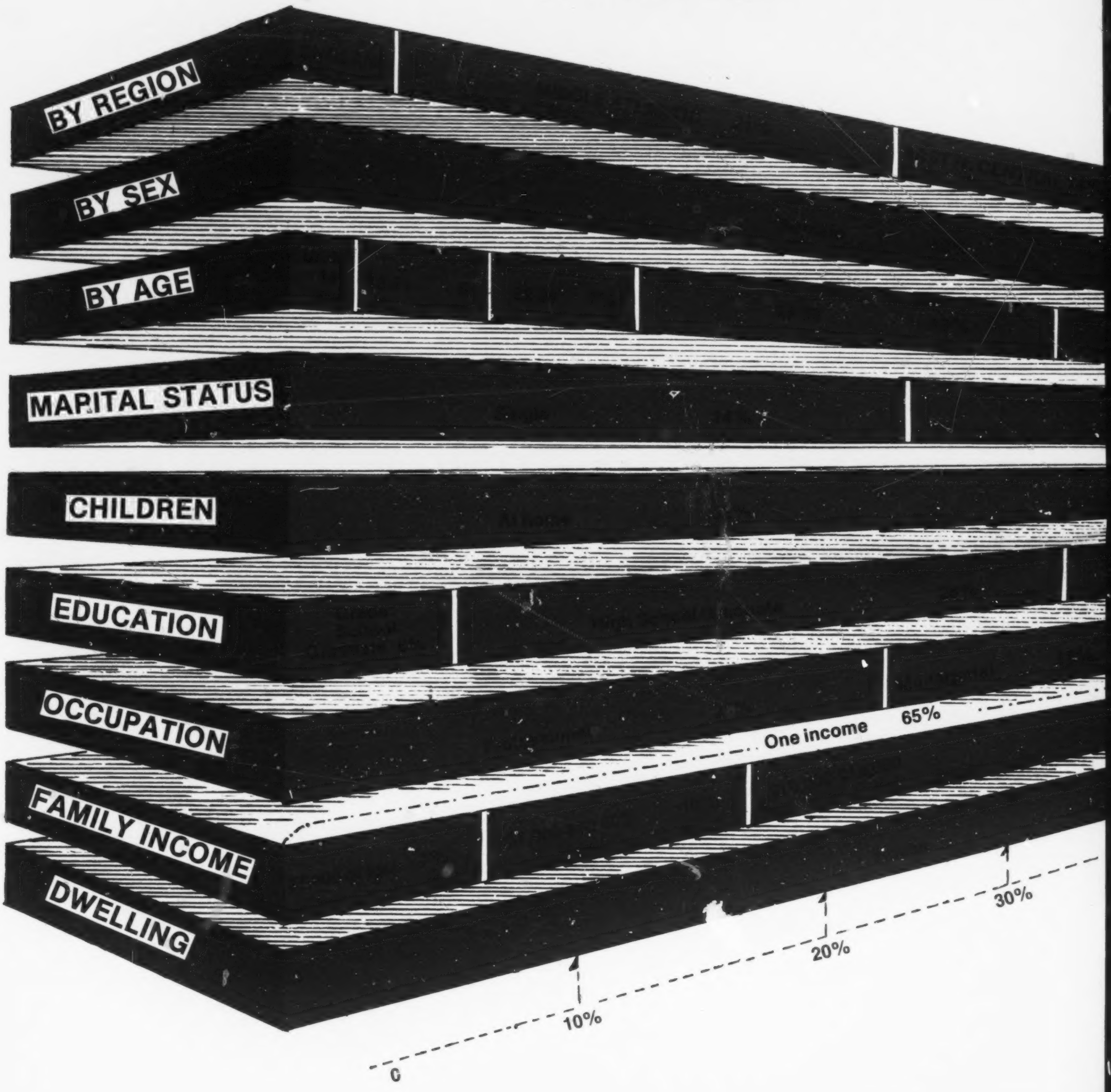
MERCHANDISING is a member of the Audit Bureau of Circulations.

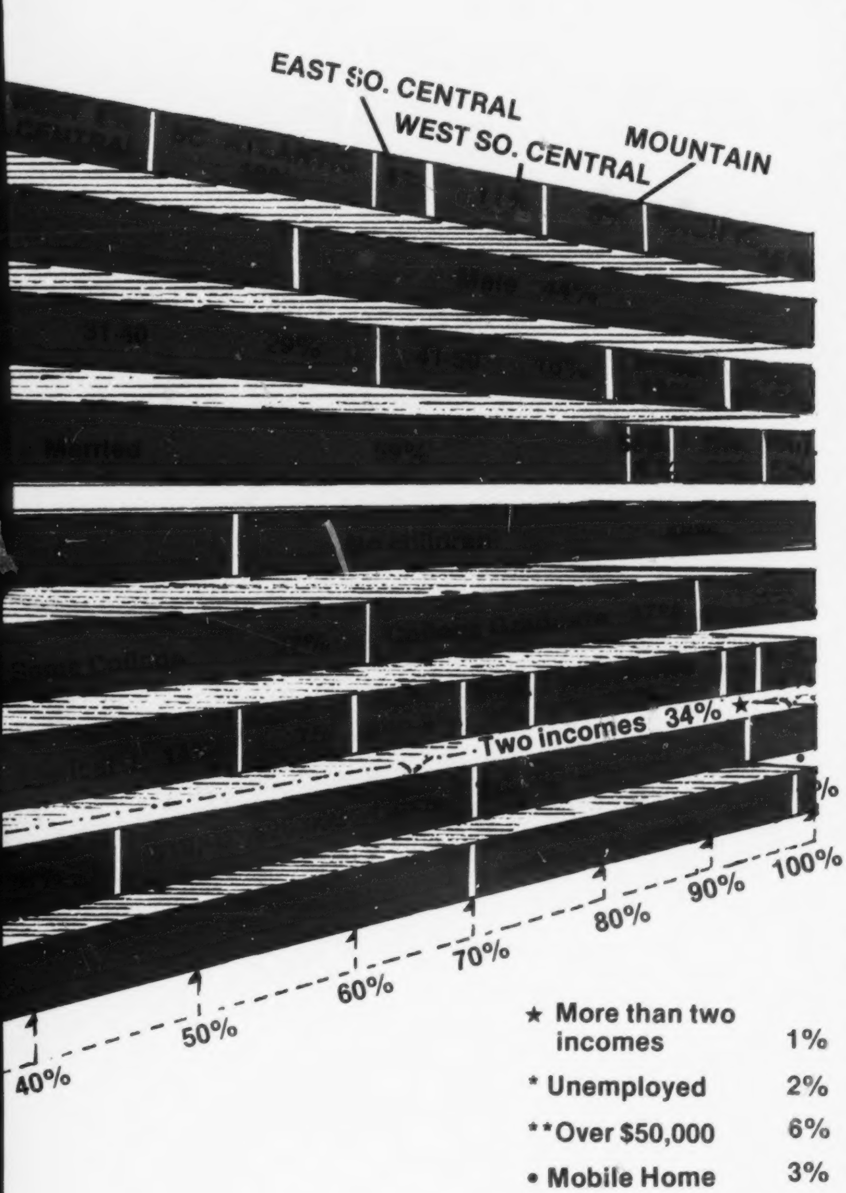
CURRENT AND BACK COPIES of Merchandising and Merchandising Week are available on microfilm from University Microfilm, Ann Arbor, Michigan 48106.

Merchandising
OCTOBER 1980

8th National Consumer Survey

Demographic Breakdown in Percentiles





Merchandising's eighth national Consumer Survey—based on personal interviews with 936 consumers in all of the nation's nine demographic regions—covers a lot of new ground. In addition to our longstanding series of survey questions dealing with television, videocassette recorders, hifi, car stereo, microwave ovens and food procesors and our forays into consumer replacement plans and brand identification perceptions, we have expanded this year's report to include other product categories and services; namely, videodisc players, cable television. electronic games, cookware, convection ovens and credit card use.

For the most part, we found that people really haven't changed much over the past year or so in terms of their attitudes, product knowledge and perceptions. They still like all the creature comforts—all the things that make life a little easier and more pleasant and, to be sure, more entertaining. But they're not necessarily ready, willing or able to pay the price for these things.

Many of the people we selected randomly for interviews said they would love to own a VCR. People who identified themselves as shift workers or just plain avid tv viewers said they thought VCR was a "neat" product, but it just didn't fit into the budget. As for videodisc, few people are familiar with it at this point, as might be expected. Cable tv is a must for many of those who don't already have access to it.

Clearly, people are shopping more to get exactly what they want and at the price they want to pay. And they're doing more homework. As one Greensboro, NC housewife told us: "There is so much consumer information available today, that any person willing to take the time should be able to select products with much more feeling of assurance than in years past."

We received several similar comments, including references to the attention consumers are receiving from federal and local government agencies and special interest groups.

A laboror said: "There are so many different brands today that any person buying an unfamiliar brand, without at least making a brief check, is almost in the same category as customers were in in the 'let the buyer beware' era."

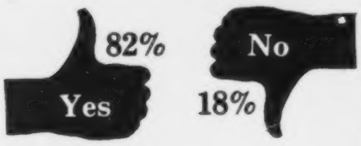
Credit cards were another concern. Close to half the people we interviewed said they expect to use their cards less in the near future and an even higher percentage said that means they plan to cut back overall on their purchases. The majority (74%) said they don't plan to open any new charge accounts in the next six months.

People were perhaps most vocal about the energy issue. In many cases, they thought they were doing their part, but didn't think others were. And significantly, they didn't believe they should have to pay a premium for a product that was specifically designed to be more energy efficient than its predecessor.

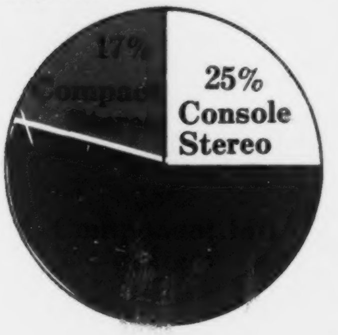
All in all, it is an interesting survey—and should be useful to all involved in marketing and merchandising.

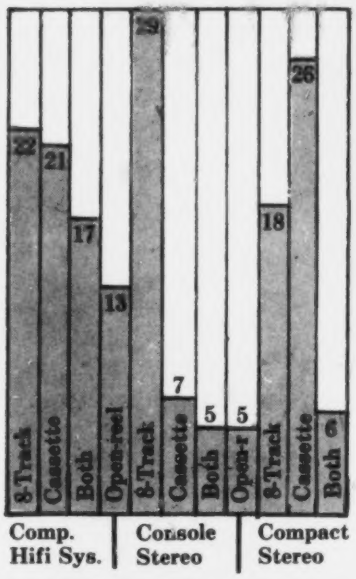
High Fidelity

Do you own a sound system?



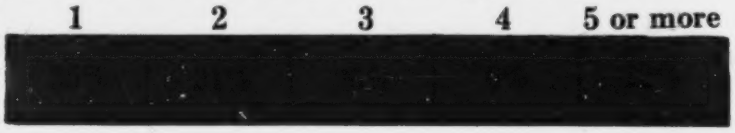
If yes, what kind of sound system do you own?



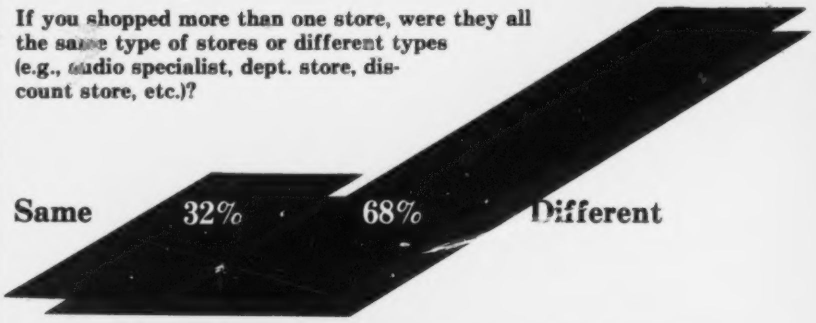


COMPONENT HIFI OWNERS ONLY

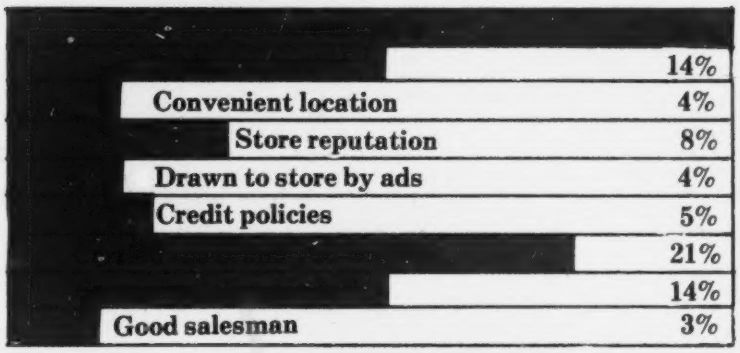
How many stores did you shop before making your hifi purchase?



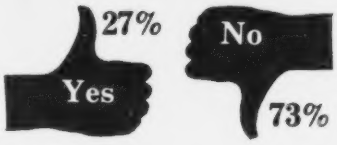
If you shopped more than one store, were they all the same type of stores or different types (e.g., audio specialist, dept. store, discount store, etc.)?

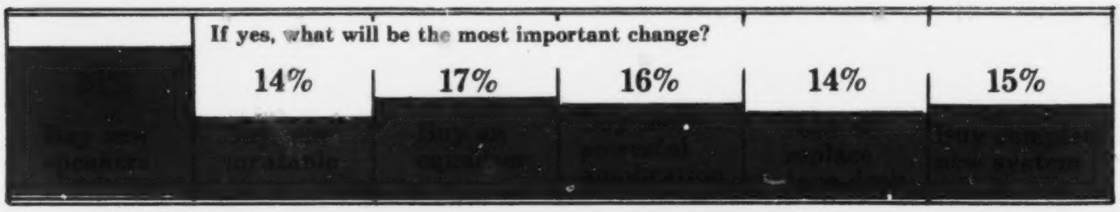


What was the more important factor in making your hifi purchase?



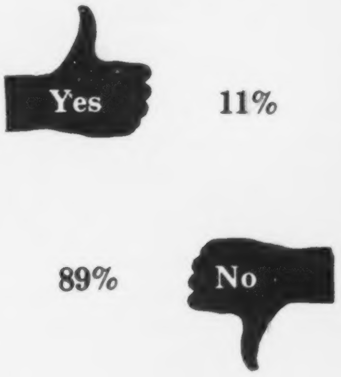
Are you considering upgrading or replacing your hifi system within the next six months?



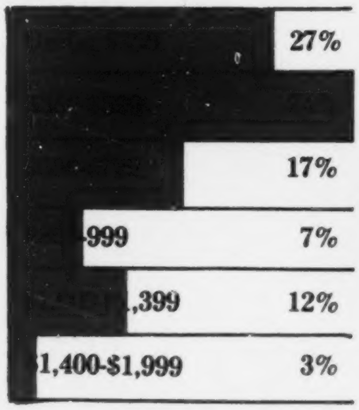


COMPONENT HIFI NON-OWNERS ONLY

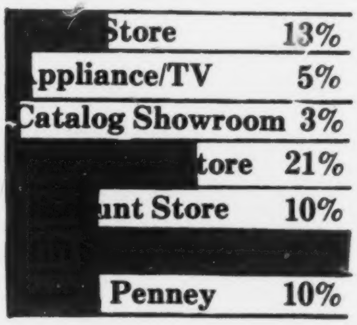
Are you considering buying one within the next six months?



If yes, what price would you expect to pay for a component hifi system?



Where would you expect to buy your hifi system?



Strong upgrade outlook seen for speakers and equalizers

Most of the people *Merchandising* interviewed own a sound system of some kind, usually component hifi.

Most of them shopped more than one store and most visited different types of stores before making a final purchase decision.

Clearly, lowest price was the number one factor in their purchase decision, but brand name carried some weight in that decision, as did product selection. At least 14% of the interviewees said the most important factor in making their hifi purchase was that they bought it in a store specializing in hifi products.

Strong upgrade outlook

Encouraging to suppliers and retailers around the country is that more than a fourth (27%) of the interviewees said they expect to upgrade or replace their hifi systems within the next six months.

In most cases, they'll be looking for new speakers, but other components, such as equalizers, amplifiers, turntables and tape decks, also showed up well in this survey.

And 15% said they're considering purchasing a completely new hifi system within the next six months.

Among non-hifi owners, 11% said they're in the market for a system or soon will be. Well over half of these people (62%) indicated they will spend up to $600 for a system. However, another 17% said they would expect to spend from $600 to $800 for a new hifi components package.

"The only way to buy hifi," a Baltimore man told one interviewer, "is to know exactly what you want and then shop price. I must have $4,000 in hifi equipment and I learned that once you select exactly what you want, the price is the only thing that matters."

Prefers to pick and choose

A woman in her mid-thirties in Minneapolis said she purchased her hifi components at three different stores to get exactly what she wanted. "We feel that manufacturers sometimes do better at some things but not others. It isn't necessary to stick to one brand to make a package," she said.

A Pittsburgh mother of four said, "We would love to have a good component hifi outfit—somewhere around $1,250—someday. But right now we can't see our way clear. The same is true for VCR and videodisc. We'd really like them, but they are just more than we can afford."

"We looked in too many places," another woman said. "When you go into one place you become a victim to dozens of different brands in front of you. I finally just picked one to get it over with."

An Alameda, CA man said, "When I bought my stereo equipment, I was in a hurry, so I just went into Radio Shack."

Best possible price

In Atlanta, a woman who recently purchased a hifi system said she shopped several stores "to get familiar with the brands, then I went back to the one with the lowest price. They

Another California man, a production line worker, said he "shopped around different places to find the components I needed at the best possible price."

Two more comments were most typical among those received:

"I don't know anything about hifi. My husband bought it and I listen to it. I don't care much about how complicated it is."

"My friends had experience with hifi. They gave us good advice. I looked all over town and compared prices when I was buying our system."

Non hifi owners are most likely to buy their system in a hifi specialty shop (38%), or an electronics specialty store (21%), such as Radio Shack, or a department store, according to *Merchandising's* Consumer Survey.

RKO CASSETTE DEALERS MAKE MONEY!

C60
C60
RKO ULTRACHROME
RKO BROADCAST I
C45
ULTRACHROME C90
BROADCAST I C90

Here's how you can, too!

The tried and true way to make more money is to buy for less and sell for more.

Trouble is, in the cassette business, most dealers pay just about the same for comparable brands.

What you need is a top-quality cassette that you can sell for a fair price and a fair profit . . . and that's so good it keeps your customers coming back for more.

What you need is the RKO line.

You won't find RKO cassettes just anywhere. We're now limiting our distribution only to high-quality audio specialists.

That's because we're offering a first-rate product line that won't play second fiddle to any other line – bar none.

There's RKO Ultrachrome, a second-generation, true chrome tape specifically formulated to give high output, low distortion, and low noise on a wide selection of typical cassette decks.

There's RKO Broadcast I (After all, we *are* the RKO Radio people.), a premium ferric that brings broadcast quality to the home recordist at consumer prices.

And there's RKO XD, our "workhorse" ferric (and your biggest potential for volume sales), with quality that's high enough to challenge premium ferrics and a price that's low enough to compete with garden-variety LN's.

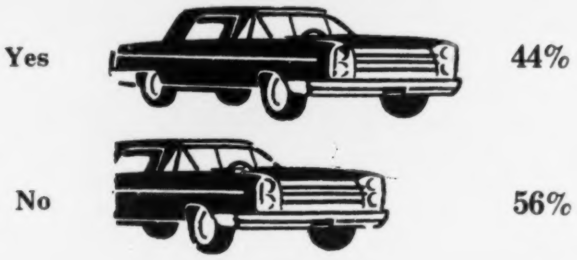
So if you're tired of just breaking even (or worse) on your existing cassette lines, start making money. Start selling RKO.

RKO TAPE CORP.

3 Fairfield Crescent, West Caldwell, N.J. 07006 • Telephones: 201-575-8484, 212-233-3520

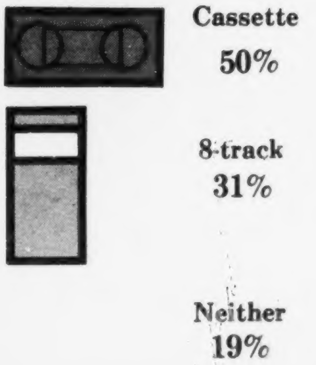
Car Stereo

Do you have a stereo system in your car?

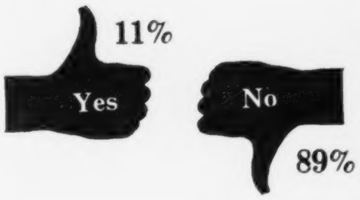


CAR STEREO OWNERS ONLY

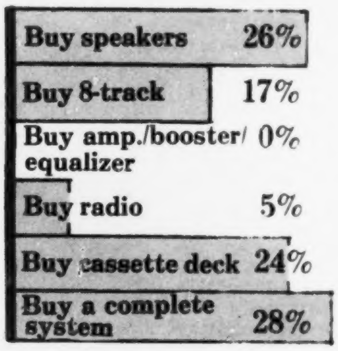
If yes, what does the system include?



Do you plan to upgrade or replace your car stereo system within the next six months?

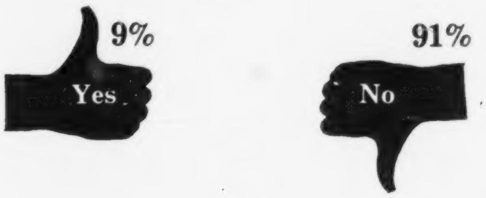


If yes, how would you do it?

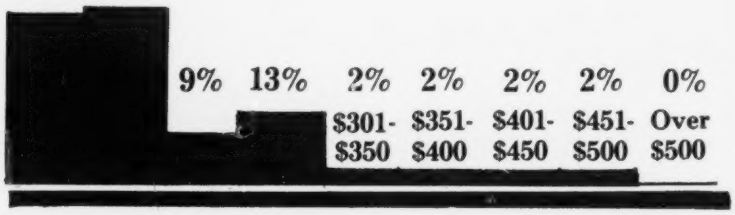


CAR STEREO NON-OWNERS ONLY

Are you considering buying a car stereo system within the next six months?



If yes, what would you expect to pay for a car stereo system?



Cassettes make music 'to drive by' for 50% of car stereo system owners

Almost half (44%) of the people interviewed have a stereo system in their car. Of these 50% indicated it was equipped with a cassette player.

Interst, or lack of interest, in a good sound system in cars ranged from one extreme to the other.

Some people said they spend a lot of time in their cars and wouldn't be without a radio or tape deck. Others said that music is very important to them—wherever they are.

Conversely, there were those who said they have cars with stereo systems—but didn't really care much about them one way or another.

"It came with the car," a Baltimore woman commented.

Several respondents noted they were shopping for a tape deck. Most, however, were in the market for a cassette unit. Variations of "I want cassettes because of their convenience compared to big 8-tracks and also because I can record on them," were heard across the country.

A few people said they would shop around for a "good, but cheap" 8-track model because they have an 8-track library they enjoy at home.

The tape feature seems to be growing in importance. As one young woman student, told us: "Our family has a stereo system in both cars, mostly for use by me and my brother. We use the tapes more than the radio."

About 11% of the people we interviewed said they plan to upgrade or replace their car stereos within the next six months. Of these, most (actually 26%) indicated they'll buy new speakers, although cassette decks were close behind (24%).

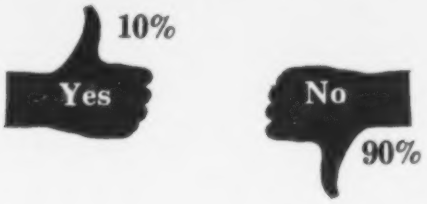
More importantly, 28% said they expect to purchase a completely new system.

Among the non-owners, 9% said they were considering buying a car stereo system within the next six months. About 75% of these people indicated they don't expect to pay more than $200. Some 84% said they're not likely to spend more than $250, and none indicated they plan to spend over $500 for an autosound system.

In most cases, people who identified themselves as owning a good sound system at home, or who expressed an interest in music, said they either own a car stereo system and listen to it regularly, or are in the market for one.

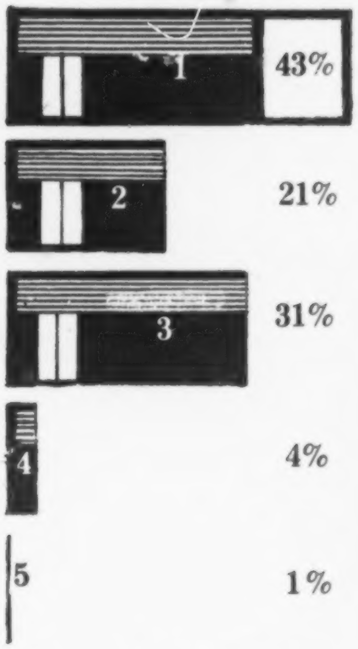
As is usually the case with hifi, recent or would-be purchasers said they'll rely on a friend's recommendations when it comes time to make their purchase or will shop around for the best price for the system they want. In most cases, they'll look first at specialty stores "because they usually know what they're talking about," but price seems to top their priority list.

Do you own a videocassette recorder?

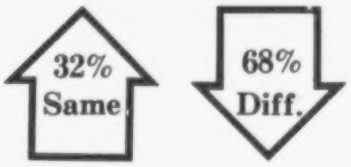


VIDEOCASSETTE OWNERS ONLY

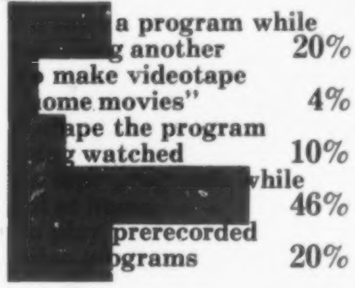
How many stores did you shop before making your purchase?



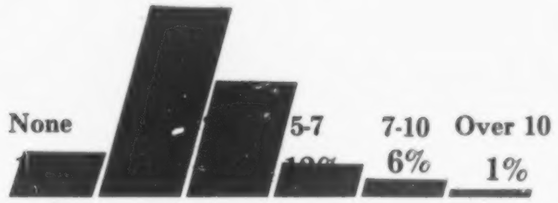
If you shopped more than one store, were they all the same type or different types (e.g., video store, dept. store, discount store, etc.)?



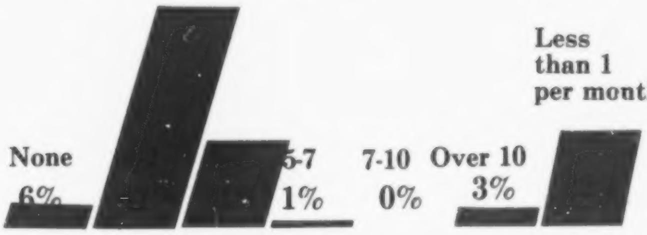
How do you use your VCR primarily?



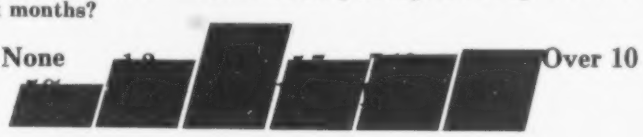
How many blank tapes did you buy initially (not including "free" as part of the sale)?



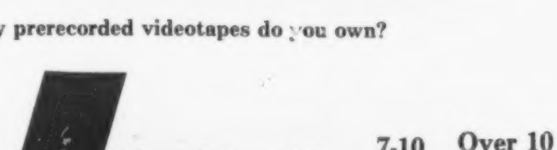
How many do you buy per month now?



How many blank videocassettes would you expect to buy over the next six months?

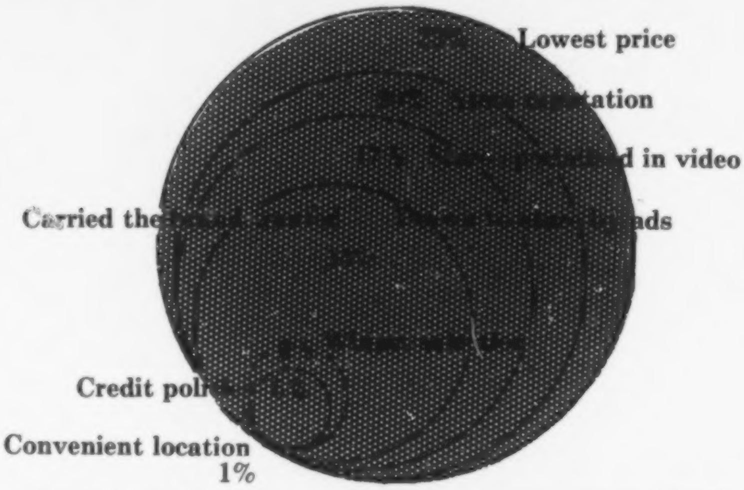


How many prerecorded videotapes do you own?



VCR

What made you decide on the store where you made your purchase?



Assuming that the cost of renting a prerecorded videocassette is roughly ⅓ to ¼ the cost of purchasing a program or feature film on videotape, would you prefer to rent or buy?

High interest in VCR is obvious, but price is a deterent to many

Some 10% of the people interviewed for *Merchandising*'s Consumer Survey said they owned a videocassette recorder—a far higher percentage than the approximately 2% of the U.S. VCR ownership population.

And based on the quantity of blank and prerecorded tapes they're purchasing, their VCRs are getting a lot of play.

Among VCR owners, 46% said their primary use is taping programs while not at home. Twenty percent said they mainly use their VCR to tape a program while watching another show and another 20% indicated they spend most of their time viewing prerecorded programs.

They also buy a fair amount of tape. About 67% told our interviewers that they purchased from one to four blank video tapes (not including "free" tapes as part of the sale) initially, while 47% said they buy one or two tapes a month and another 21% said they pick up three or four cassettes per month.

Strong tape sales

Equally impressive, and certainly encouraging to industry suppliers and retailers, is the level at which these VCR owners plan to purchase blank videocassettes over the next six months. At least 36% said they expect to buy seven or more tapes during this period. Half of this group will buy 10 or more tapes over the next six months.

We also learned that at certain price points, a large percentage of VCR owners would just as soon rent as buy prerecorded videocassettes.

Most VCR owners were very fond of their systems.

A woman in High Point, NC, said that before owning a VCR, she and her husband would try to arrange their schedules around the tv programs they liked to watch. "We now find we record programs when we have to be away from home and enjoy them much more when we can view them whenever it suits us."

"I like the ability to tape while I'm at work," a woman in Lakewood, OH, told us. "I'm presently working in a hospital and I can't count on being home to see anything good."

One couple in Denton, TN, is making their portable VCR pay for itself, and then some. They videotape the exteriors and interiors of homes to authenticate insurance claims.

Price is too high

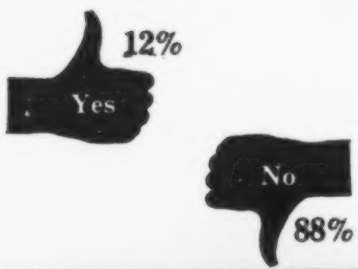
Among non-owners, quite a few people said they would run right out and buy a VCR if it weren't for the price.

"They're just too expensive," was a common comment—or complaint. One man told us, "I'll wait. I'm sure theyll come down in price just like calculators."

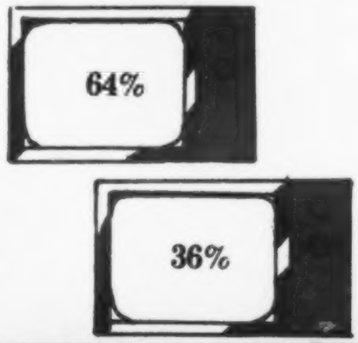
"I'd love to have one, so I could tape some of the movies I miss," a woman in South Euclid, OH, said. "Just can't afford it."

VCR NON-OWNERS ONLY

Are you considering purchasing a videocassette recorder within the next six months?



If yes, would you prefer a portable model or a table model?



On the negative side, a mother of four in Detroit, said: "We love tv, but how much of it can you watch. A VCR glues you to it."

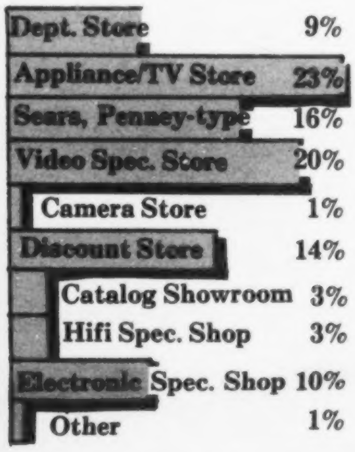
And a teacher, a man in his sixties, said: "Our tv watching has declined over the years as the programs got less and less meaningful and more and more juvenile, until these days the tv set is good for only an average of a couple hours a week. And we have no interest in recording anything with a video camera. We gave up home movie-making long ago."

Most other non-owners didn't feel that way at all. In fact, 46% said they would buy a video camera with their VCR.

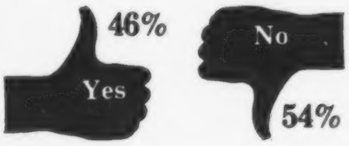
Twelve percent of the non-VCR owners interviewed said they're considering buying one within the next six months.

The greatest percentage (23%) expect to purchase a VCR at an appliance/tv store, 20% said they would go first to a video speciality store, 16% would buy from a Sears or J. C. Penney type outlet, and 14% indicated they would most likely visit a discount store to buy a VCR.

Where would you expect to purchase a videocassette recorder?



Would you buy a video camera with your VCR unit?



SUPER AVILYN CASSETTE
SA-X TDK
SA-X TDK
Laboratory Standard Cassette Mechanism
HIGH RESOLUTION
SA-X TDK
METAL ALLOY CASSETTE
MA-R TDK
HIGH COERCIVITY
Reference Standard Mechanism
TDK MA-R
C90

TDK takes high bias to new heights. And metal to greater lengths.

TDK has just added a new dimension to high bias. TDK SA-X. In one leap, it goes beyond any other high bias cassette. Further than the reference standard, TDK SA. Far enough to come close to metal sound. It's all made possible by TDK's newest technological breakthrough, an incredibly thin dual layer of Super Avilyn. SA-X has high frequency sensitivity 1.5 dB higher than SA. A maximum output level 1 dB higher throughout the frequency range. And the Laboratory Standard Mechanism, which lowers distortion to a minimum. Together they make SA-X the cassette that redefines high bias. And gives your perfectionist customers more sound from high bias than they've ever heard.

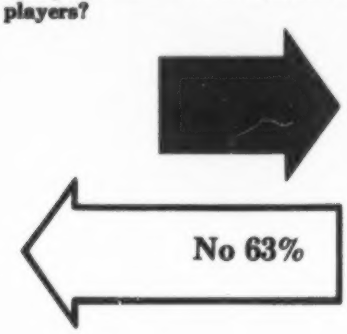
For your customers who demand nothing but pure metal, TDK introduces more of what they demand. Now the classic MA-R cassette comes in the popular ninety-minute length. TDK MA-R has delivered more since it was first introduced. The greatest output at high frequencies. The highest signal-to-noise ratio. The unique Reference Standard Mechanism. No other cassette ever delivered more. Until now. Now TDK has added more of the finest sound available today. In both high bias and metal, TDK brings your customers to new standards of perfection. Which will take your profits to new heights.

TDK.
The machine for your profit machine.

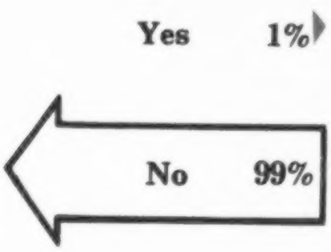
© 1980 TDK Electronics Corp., Garden City, N.Y. 11530

Videodisc

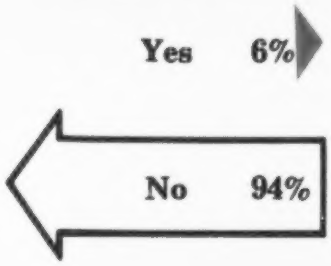
Are you familiar with videodisc players?



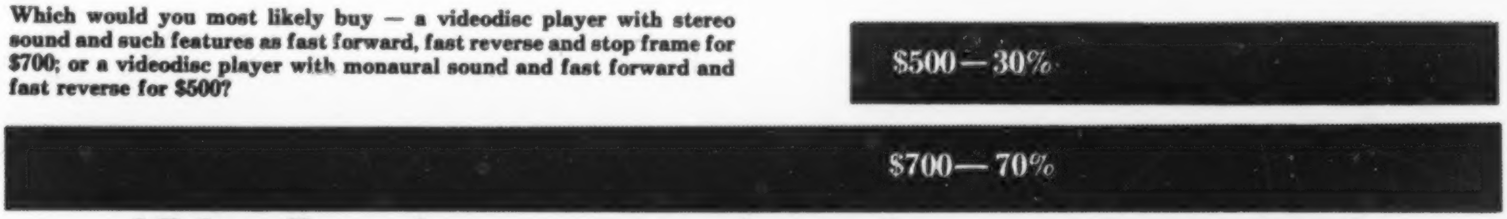
Do you own a videodisc player?



If no, would you expect to purchase a videodisc player within the next six months?



Which would you most likely buy — a videodisc player with stereo sound and such features as fast forward, fast reverse and stop frame for $700; or a videodisc player with monaural sound and fast forward and fast reverse for $500?



Videodisc player survey shows low awareness level

This is *Merchandising*'s 8th annual national Consumer Survey, but it's the first time we asked any questions about videodisc players, and for obvious reasons—the VDP's have been available for only a short time and were in just a few markets at the time this survey was conducted.

Therefore, it is surprising how many people interviewed said they were familiar with videodisc players and even more surprising was the number found in this random survey who said they actually owned one of the systems.

A 1% ownership of VDPs

Some 63% of the people we interviewed said they were not familiar with videodisc players. More interesting, perhaps, about 1% of the interviewees identified themselves as VDP owners.

Several people simply shrugged and gave the interviewer a blank stare when asked about videodiscs.

One graduate student called it a "gimmick" and said "it overlaps VCR too much."

Similarly, a magazine writer said, "There is no need for videodisc if you have VCR."

Most people who were familiar with both VCR and videodisc players liked the flexibility of the VCR.

"To the best of my knowledge," a teacher told us, "you lose the recording capability that you can get with a VCR. That is something I want to make sure I get."

However, there were those who said they don't like television, hardly ever watch it, and can't imagine anything worth taping to save or to watch at a later time or date.

Interested in first-run movies

What these people are interested in are first-run movies. They like the idea of owning a good movie—one they might want to see more than once or share with friends. To them, the videodisc player has some appeal and because of its function and price it is much more easily justifiable than the purchase of a VCR.

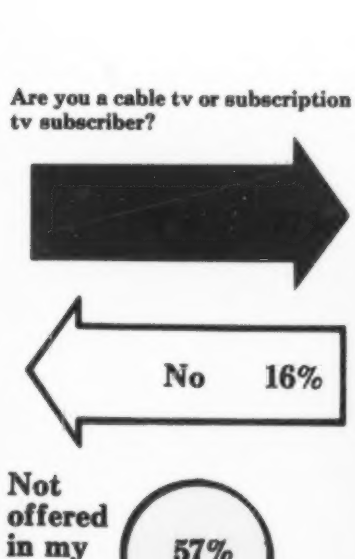
One of the most encouraging things we found is the interest in trade-up features. Some 70% of the people surveyed said they would opt for a $700 system over one priced at $500 if it had more features and stereo sound.

"If I were to buy one," a woman in her mid-fifties said, "I'd want the product with the most features, definitely!"

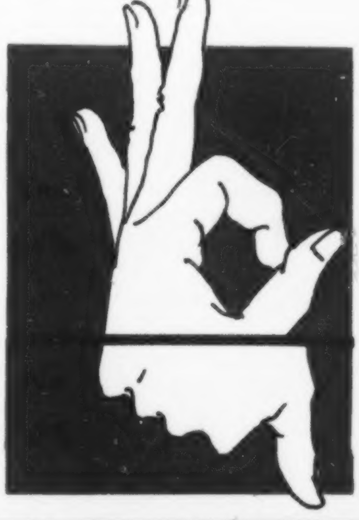
Suppliers and retailers will also be encouraged by the interest in purchasing a videodisc player. Some 6% of the non-owners said they expect to purchase a system within the next 12 months.

Cable TV

Are you a cable tv or subscription tv subscriber?



If cable or subscription tv were in your area would you become a subscriber?



For the first time in the annual Consumer Survey, questions were asked about cable and pay television.

Most of the people interviewed around the country said they weren't offered these services. But most of them made it clear that they would subscribe if and when it becomes available.

Cable, in particular, was of interest to many of the people interviewed, reflecting the interest and growth of this controversial entertainment and information medium.

This shouldn't surprise anyone. In the last year alone, the number of cable systems has grown by more than 100 to over 4,100. And the number of subscribers has climbed more than two million, to about 16 million homes.

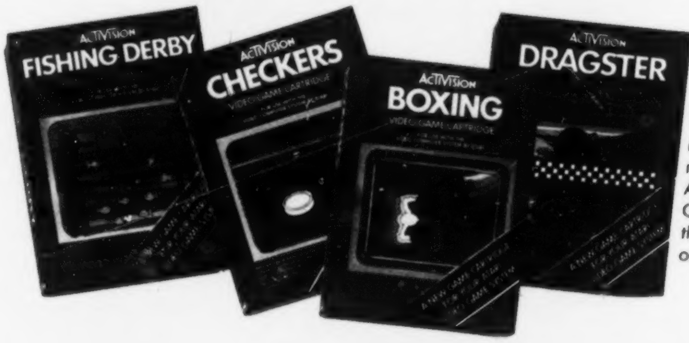
Actually, 57% of the people we talked to said that cable tv wasn't available to them at the moment. Another 27% indicated they take the cable service while 16% noted that, while it was offered in their area, they weren't interested. More often than not, they either felt they couldn't afford it or didn't think they watched enough tv to warrant the investment.

"Cable television is not offered here," a recently married store manager in Honolulu told us. "Regular reception is so bad we would be glad to pay twice what people normally pay."

Another man, a retired ex-fireman living in Daytona Beach, FL, said: "As we spend much of our time watching tv—and that means well past midnight—we wish we could improve reception and add channels by cable tv. I'd pay quite a bit for cable tv."

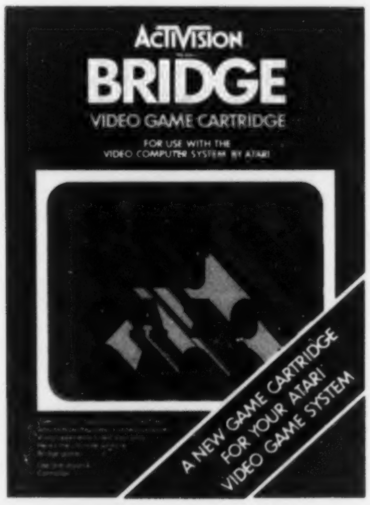
Electronic Games

Four for the fans...

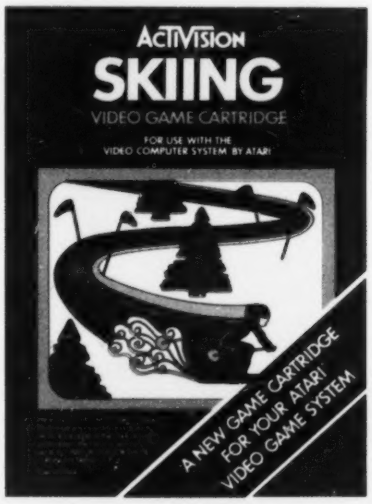


Video game fans are making instant best sellers of the four new game cartridges by ACTIVISION™ for the Atari® Video Computer System™. They're on the shelf now and moving out fast!

Now, for the fanatics!
Order now for January 1981 delivery.


ACTIVISION
BRIDGE
VIDEO GAME CARTRIDGE
FOR USE WITH THE VIDEO COMPUTER SYSTEM BY ATARI
A NEW GAME CARTRIDGE FOR YOUR ATARI VIDEO GAME SYSTEM

Conceived and designed by Larry Kaplan for over 10 million bridge players.


ACTIVISION
SKIING
VIDEO GAME CARTRIDGE
FOR USE WITH THE VIDEO COMPUTER SYSTEM BY ATARI
A NEW GAME CARTRIDGE FOR YOUR ATARI VIDEO GAME SYSTEM

Conceived and designed by Bob Whitehead for over 15 million skiers (and millions more who want to try).

For millions of bridge players who are always looking for a game, *Here It Is!* Bridge by ACTIVISION™ deals billions of different hands, gives you a partner who always bids by the rules and tests your playing prowess against a couple of computer-sharp opponents. You can bid and play for hours and never see the same hand twice (unless you want to). Bridge players buy millions of printed solitaire games, bridge books and magazines every year. They'll gladly buy an Atari VCS (if they don't already have one) just to be able to play Bridge by ACTIVISION™.

This is the most realistic and sophisticated sports action game ever designed for the Atari VCS! Extraordinary graphics! Endless fun! Millions of skiers and would-be skiers will experience all the thrills of the slopes. They'll be challenged by an infinite number of slalom and downhill runs, from easy bunny hills to high speed hotdog thrillers. All that's missing are the lift lines and the frostbite. Everyone who plays it gets hooked on Skiing by ACTIVISION™.

Dedicated to excellence in game design and innovation in marketing, Activision is working with video game distributors and dealers across the country to help build the market for game cartridges and game systems. Let us know how we can help you! To learn more about Activision and our game cartridges, contact your local Activision representative or call or write Activision, Inc., Customer Service Department, 759 E. Evelyn Ave., Sunnyvale, CA 94086, (408) 245-5421.

ACTIVISION™

. . . because you never have enough new video game cartridges.

© Activision 1980

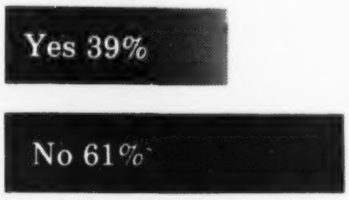
Atari® and Video Computer System™ are trademarks of ATARI, INC

Electronic games get big play at Christmas time

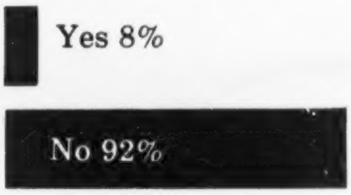
Everyone contacted in the survey was familar with electronic games, but only 39% said they or someone in their immediate family actually owned one or more.

Among those who don't own a game, about 8% said they expect someone in their family to purchase one within the next six months.

Do you or does anyone in your immediate family own an electronic (non-video) game?



If no, do you or does someone in your family expect to purchase one within the next six months?



Among the owners, most told us they enjoy the games, although several of the people we interviewed said they don't use them as much as when they were first purchased. A few people said they only bring them out when friends or children come to visit.

As might be expected, many of the games were purchased as gifts—usually for children—but some of the people we talked to said they're very much "into electronic gadgets" and bought the games for themselves.

A game for Christmas

Some who said they expect to buy an electronic game were even more specific, indicating they would probably buy one or more as Christmas gifts. A few told us they planned to buy games for their grandchildren because they asked for them.

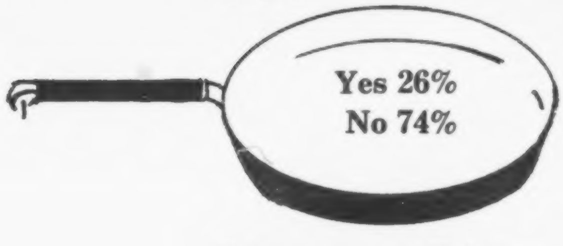
One Baltimore woman commented, "My husband is crazy about electronics. He spends hours with the most complicated games I've ever seen. I hate them."

And a housewife in Seattle said: "We have a few of the electronic games and we enjoy them very much. It's a family event when we get them out. We all have a lot of fun together."

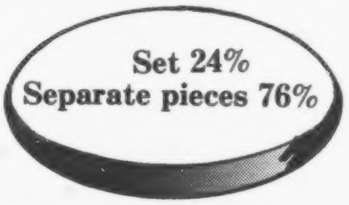
"Unfortunately," a California man noted, "they keep coming out with new games all the time. I'd like to have all of them."

Cookware

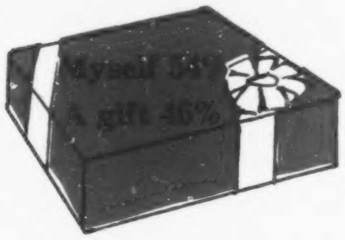
Do you plan to purchase any cookware within the next six months?



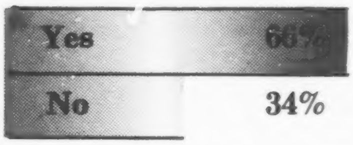
If yes, are you most likely to purchase a set or separate pieces for specific cooking needs?



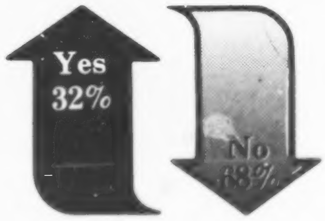
Was your last cookware purchase for yourself or a gift for someone?



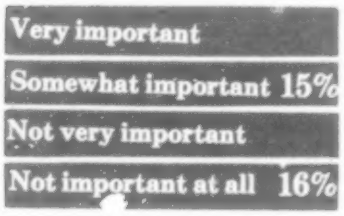
Are you familiar with non-stick SilverStone cookware coating?



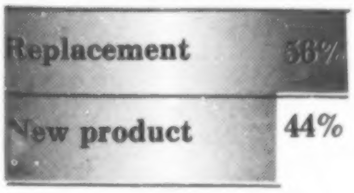
Do you own any cookware with SilverStone?



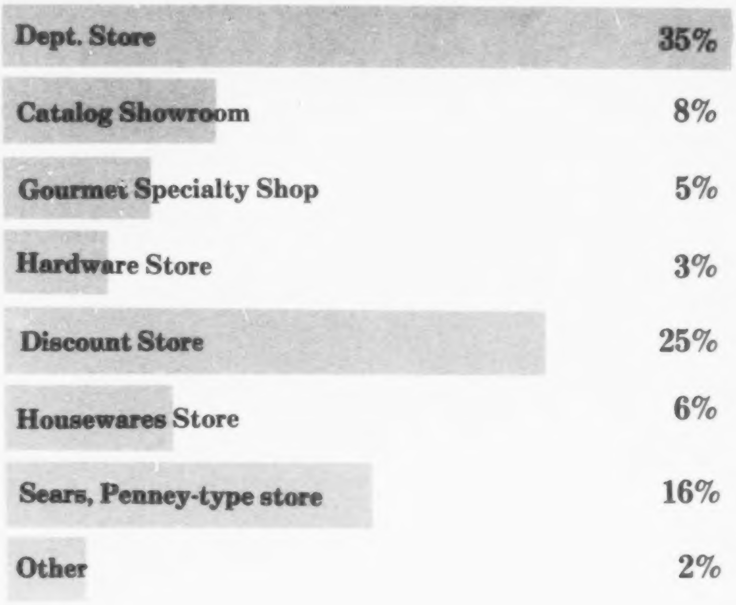
How important is the non-stick feature in cookware?



Is your next cookware purchase most likely to be a replacement or a totally new product?



In what type of store would you expect to make your next cookware purchase?



Consumers willing to buy cookware that makes sense

Among the things revealed from comments of people interviewed around the country is that most of them believe they have all the cookware they need . . . still they're open to new products that make sense to them.

Also, it's clear that many people are hoping to receive cookware as a Christmas gift or are planning to give it as a gift.

One young woman in Ohio, getting married next year, said: "I'll be getting a complete set, probably right after Christmas when the sales start."

At any rate, if this survey is any indication of the outlook for cookware sales, the industry is in pretty good shape. Some 26% of the people we interviewed said they plan to purchase cookware within the next six months. Of this group, 76% said they are *most likely* to purchase separate pieces rather than a complete set of cookware.

Big for gifts

Although people buy cookware for themselves, almost half (46%) of the more than 900 people interviewed said their most recent cookware purchase was for a gift.

Also, most are familiar with non-stick SilverStone coatings and a fair percentage (32%) own SilverStone cookware.

A South Glen Falls, NY, husband called SilverStone a "great time saver on cleaning up" and said he'll buy more cookware as Christmas gifts.

A Buffalo, NY mother called the non-stick feature very important "because even in my dishwashers the pans won't come clean unless you scrape them out first."

While the people claim they have all the cookware they need, several admitted they're open to impulse buys. "I seldom add anything unless something new comes on the market and it especially attracts me," a woman in New Orleans told us.

In fact, 56% of the people we talked to said their next cookware purchase would most likely be a replacement rather than a totally new product.

Non-stick gaining

The non-stick feature is obviously gaining in popularity from the comments we received.

"I don't like to cook and I hate to clean," a recently divorced laborer said. "So when I had to go out and buy pans I bought Teflon."

Most people said they expect to make their next cookware purchase in a department store, although discount stores weren't that far behind. Gourmet specialty shops didn't do too well, only 5% of those interviewed said they're likely to buy cookware at a specialty retailer.

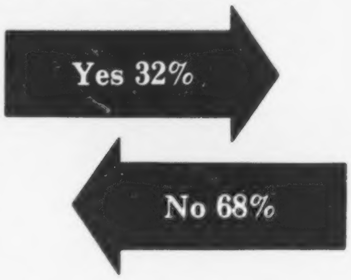
Despite the wide acceptance to date of non-stick formulations on cookware, there are still some holdouts. One Bronx, NY man in his mid-thirties, married and a lawyer, called non-stick cookware formulations "chemical BS."

Then there's the young mother in Allen, TN, who is very interested in quality cookware because she is still cooking with the odds and ends pieces she got when she was married—some of them gifts and some hand-me-downs from her mother and older sister. "I would really like to have a good set of pots and pans," she said. "I keep hinting for that at Christmas and on my birthday, but I keep getting things like nightgowns or a new screen door."

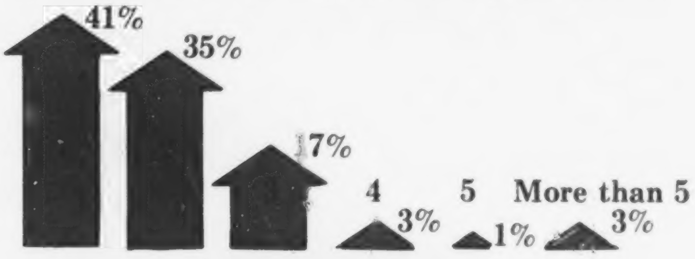
Food Processor

FOOD PROCESSOR OWNERS ONLY

Do you own a food processor?

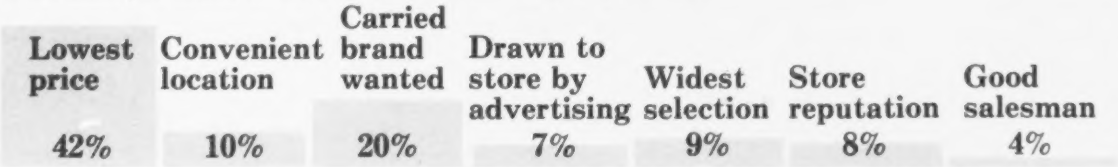


How many stores did you shop before making your purchase?



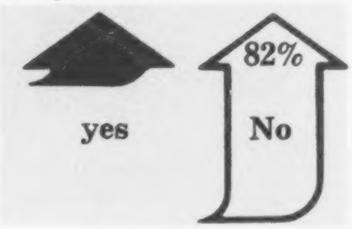
If you shopped more than one store, were the other stores all the same types or were they different types (e.g., gourmet shop, department store, discount store, etc.)

What made you decide on the store where you made your purchases?

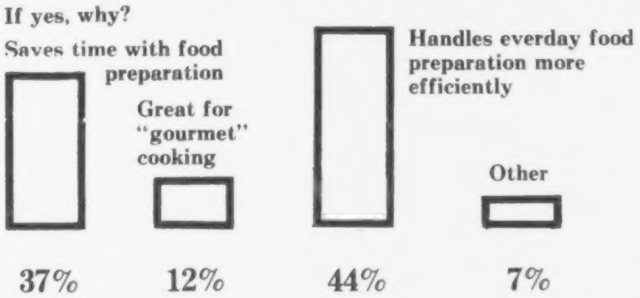


FOOD PROCESSOR NON-OWNERS ONLY

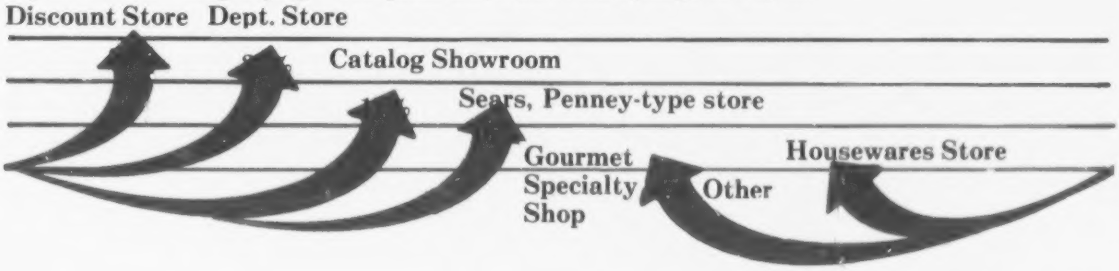
Are you considering buying a food processor?



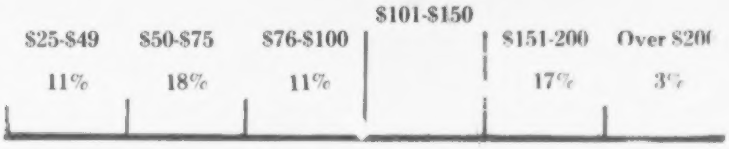
If yes, why?



If you are considering buying a food processor, where would you go to buy it?



What price would you expect to pay for a food processor?



Price - then brand - most important in 42% of food processor purchases

Thirty-two percent of the people we interviewed own a food processor, but they shopped around for it. Some went to two or more stores, as well as different types of stores before they bought—usually at the lowest price they could find.

Indeed, lowest price was by far the most important factor in their purchases; 42% said this was the reason they bought their food processor at that particular store. A distant second (20%) when we asked what made them decide on the store where they made their purchase was that the store carried the brand they wanted.

Among non-owners, 18% said they were considering the purchase of a food processor.

The biggest reason in interest, we found, is that it handles everyday food preparation more efficiently. Also, quite a few people said they wanted a food processor because it saves time in food preparation.

Surprisingly few believed food processors had anything to do with "gourmet" cooking.

"It doesn't process good," a Pittsburgh man in his late twenties told us, "it's just a glorified blender."

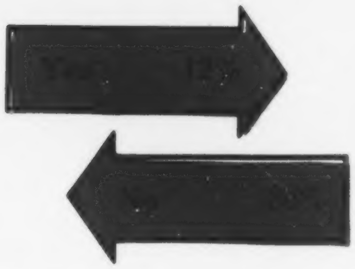
A single Philadelphia woman who said she liked to cook, also said she "wouldn't have a food processor. I think they're overrated. They might do a good job for the real specialty cook, but for the average person, they are much too expensive for what you'd get out of it."

And a young, single student said she didn't want one because she didn't want her food "processed."

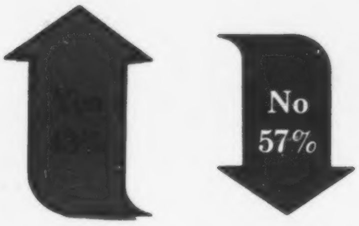
On the plus side, a retired school teacher said she likes to "do things by hand" since she only cooks for herself, although her food processor "does tend to speed things up."

Most of the people we interviewed expect to buy a food processor in a discount store (30%) or a discount store (28%). Catalog showrooms came in third (17%).

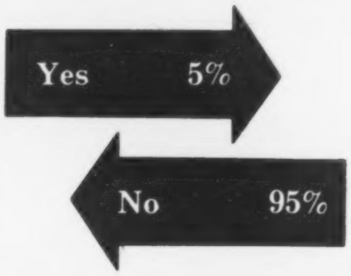
Convection Ovens



Do you own a convection oven?



If no, are you familiar with countertop convection ovens?



If yes, would you expect to purchase a countertop convection oven within the next six months?

Education needed to hype awareness of countertop units

Most of the people interviewed about countertop convection ovens didn't know anything, or at least not much, about them.

They usually had strong feelings about microwave ovens (see that section in this Consumer Survey report), but had little to say about convection models—even when they owned one.

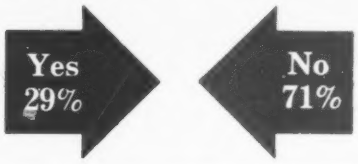
Interviewers didn't specifically ask about dual microwave/convection oven ownership. However, several people said they owned both or expect to own both types of ovens. And there was no particular order of purchase; some bought their microwave oven first, some the countertop convection first.

Interestingly, a few people said their original interest in owning a convection oven was tempered somewhat when they discovered that the major appliance company they had the most faith in did not produce a convection oven. In most of these cases, they said they would wait or do a little more homework before purchasing.

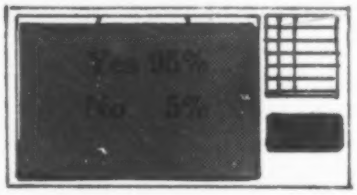
It's clear from this random survey that convection oven manufacturers have a ways to go before "convection" becomes a household word. Some 57% of the people we interviewed said they are *not familiar* with countertop convection ovens. Only 12% said they owned one, and among the 43% who indicated they were familiar with the ovens, only 5% said they expected to purchase one within the next six months.

Microwave Ovens

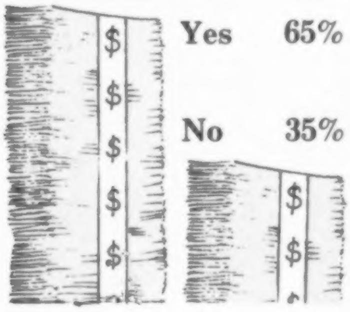
Do you own a microwave oven?



Are you familiar with cookware made especially for use in microwave ovens?

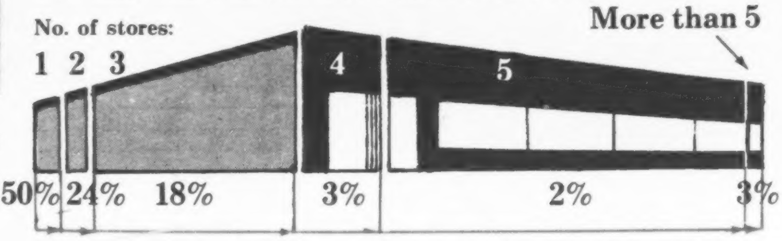


Did you buy microwave cookware (not included "free" with purchase) when you bought your microwave oven?

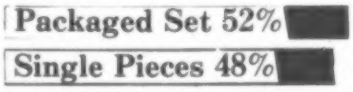


MICROWAVE OWNERS ONLY

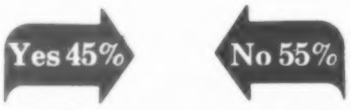
How many stores did you shop before making your purchase?



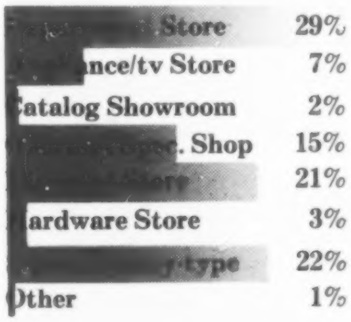
Was it a packaged set or single pieces?



Are you considering the purchase of additional microwave oven cookware?

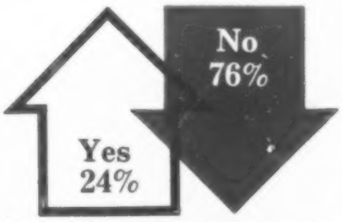


If yes, where would you expect to buy microwave oven cookware?



MICROWAVE NON-OWNERS ONLY

If you don't own a microwave oven, are you considering buying one?



If yes, which of the following are you most interested in?

A countertop microwave oven	78%
A single-cavity combo microwave oven and gas or electric range?	8%
A double-oven combo microwave oven and gas or electric range	14%

Microwave cooking hot but resistance remains

Twenty-nine percent of the people we selected randomly for interviews around the country said they owned a microwave oven.

Among the non-owners, 24% told us they are considering buying one.

It's clear from the comments we picked up that many people still consider microwave ovens to be dangerous to their health to some degree, although owners seem to be quite pleased with the product.

A laborer in upstate New York said, "We feel many of the cookware items we see are unnecessary, but we're very pleased with out microwave oven. It's the best damn thing we've bought in the last 20 years."

Commented a woman in Portland, OR: "I took two schools in microwave cooking and was very pleased with the results. I do a lot of cooking for guests and I use all the equipment I can for convenience. With the instruction I took, I now turn out microwave meals that are as good as my regular stove and oven will produce."

Those comments pretty well represent the favorable attitudes of the owners.

Some of the other remarks we got include the following:

"They're too expensive"

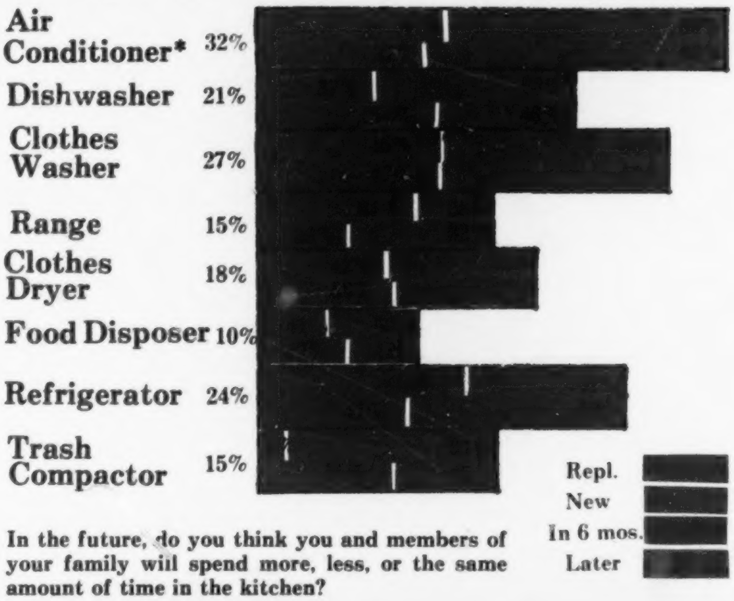
"I would like a microwave, but they are too expensive. I think they will probably manufacture cheaper ones in the future."

"I don't like microwave ovens. I don't like the flavor of foods cooked in microwaves. They're fast, but it's like eating plastic."

"My conventional oven suits me just fine. I don't think food is as tas-

Major Appliances

Which of the following major appliances are you planning to purchase, and under what circumstances? (See Code).



A/C most sought after major appliance product

In the major appliances area, this year's Consumer Survey focused on consumers' purchasing plans. What products are they most likely to buy over the next six months or so and will they be replacements or a first time purchase of the product?

Among the survey group, air conditioners turned out to be the most sought after appliance. This was followed by clothes dryers and then dishwashers.

Down the line, ranges and trash compactors showed up as the least likely next purchases. However, among the two, the vast majority of people indicating they planned to buy a trash compacter said it would be the first time they had purchased this product, an indication perhaps of the still fairly low saturation level of compactors.

In most cases, those who said they planned to purchase an appliance indicated they may not do so for at least six months or more. But there were exceptions; namely, dishwashers, food disposers and trash compactors.

Several of the people interviewed by *Merchandising* stressed their concern with energy issues and energy-efficient products, making the point in a number of instances that they didn't believe they should have to pay more for a product designed to save energy—that the manufacturer should constantly be striving to develop such products.

A shopkeeper in New Orleans, said: "In most cases these energy efficient products don't justify the added cost. An air conditioner costs $400. The energy efficient model of the same thing costs $650. By the time it saved more than $250 in utilities bills, it would probably be worn out."

A man who identified himself as a waiter and part-time insurance salesman, told us: "Energy efficiency is very important. However, I would not throw out good appliances to replace them with energy efficient ones. In time, the energy efficient ones will probably have better features and better prices."

Asked, if in the future, would they or members of their family spend more, less, or about the same amount of time in their kitchen, 17% said more, 21% said yes, and the majority, 62%, said about the same.

In the future, do you think you and members of your family will spend more, less, or the same amount of time in the kitchen?

**Adds to more than 100% because of multiple replies*

MICROWAVE OVENS

(Continued from page 32)

ty. It's too much like 'fast food' service and I don't eat that at home."

"My microwave oven came with my townhouse when I bought it or I probably wouldn't have one. But I must admit it does a great job of fast defrosting of foods."

"I don't have much interest in a microwave oven at the moment, but I have a growing file on the difficulties people have had with them. I keep this file because if we ever start to think about getting one, I want to reread this material again. My husband thinks we should get one now, but a friend told me it changes the taste of food."

Among the owners, at least half said they purchased their microwave at the first store they visited. Another 24% went to at least two stores.

Some 65% said they bought microwave cookware (not included "free" as part of the sale) when they purchased their microwave ovens, and 52% of this group noted that it was a packaged set of cookware, not single pieces.

Also, among the owners, 45% indicated that they were considering the purchase of additional microwave cookware.

Most microwave oven cookware was purchased in a department store, although Sears and J.C. Penny-type stores and discount stores ran a close second, 22% and 21% respectively.

Among non-owners, the vast majority of those interviewed who expressed interest in owning a microwave oven, indicated they would most likely buy a countertop model.

Credit Card Use

See less use of credit and far fewer purchases

Almost half of the people interviewed around the country by *Merchandising* correspondents said they planned to make less use of their credit cards in the next six months. Very few, actually only 7%, indicated they expected to use their credit cards more than they have in the past.

"I don't want any new credit cards," a woman in Philadelphia said. She's just getting into the real estate business. "Giving up credit cards is like a 15% raise in your income."

"I don't use credit cards a whole lot because my husband won't let me," a woman in Buffalo, NY, commented. "I don't imagine I'll be using one much unless he gets a heck of a big raise."

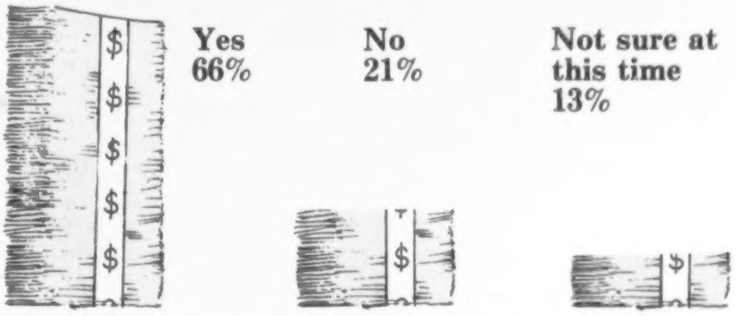
A young music student said he would only use his credit card in emergencies, or when he saw something he just had to have.

Significantly, 66% of those who said they'll be cutting back on their use of credit cards, also said they expect to cut back overall on their purchases in the next six months.

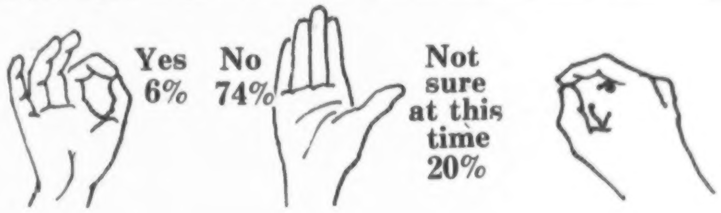
Only 6% said they expected to open a new charge account in the next six months, compared with 74% who said they won't open a new credit account.

Do you plan to use your credit cards in the next six months more or less than you have in the past six months?

If less, does that mean you expect to cut back overall on purchases in the next 6 months?



Do you expect to open any new charge accounts in the next six months?


Yes 6%
No 74%
Not sure at this time 20%

Replacement Plans

Color tv and vacs get nod in replacements

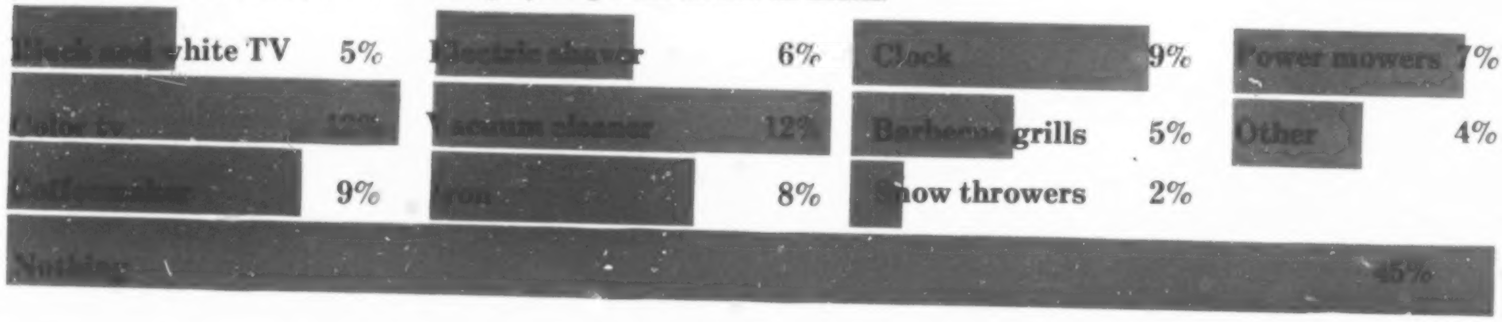
As just another indication that many people plan to play it tight in terms of spending over the next six months—at least in terms of some product categories—fully 45% of those interviewed said they're not likely to replace any of the items we specifically asked about.

By some of the comments picked up by interviewers, it seems that people are more likely to attempt to repair a product before running out to replace it. The do-it-yourself mode seems to be in fairly high gear at the moment.

At any rate, color tv sets and vacuum cleaners were mentioned most often as likely replacement possibilities over the next six months. Coffeemakers and clocks weren't far behind.

Similar results were recorded in last year's Consumer Survey when color tv came out on top and vacuum cleaners ran a close second. Last year, however, only 39% said they didn't plan to replace anything versus this year's 45%.

Check those products which you are considering replacing within the next six months:



Energy Efficiency

Consumer frustrations grow with energy costs

There's one area that just about everyone wanted to talk about at some length and that's energy efficiency.

Basically, many people seemed frustrated by rising utility costs at a time when they thought they were working hard to do their bit. Some complained that while they were working hard to hold down energy costs they didn't think others were doing much.

Several people also complained about manufacturers—they didn't believe they should be charged a premium for an energy efficient product—and that manufacturers should be making appliances that use less energy as part of the normal product development process.

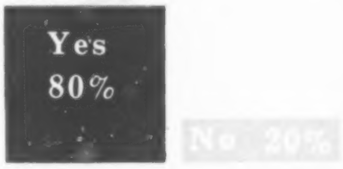
However, consumer awareness that efforts are underway to develop energy efficient products by manufacturers of household appliances was high, actually 80% in our survey.

Only 52% said they thought energy efficiency was "very" important, while 37% called it "moderately" important. But 67% indicated they would be willing to pay a higher price for a more energy-efficient product. But they didn't say how much more.

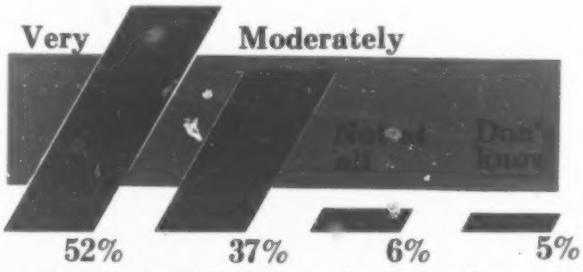
Also, more people said they would opt for a high efficiency appliance with fewer features over one with lower efficiency but more wanted features.

The one common thread of frustration came through in the comment of one young housewife who said: "Our energy bills are unbelievable and they keep climbing. We're really exasperated—trying to save money by staying home, but then finding that energy expenses just for staying comfortable at home become unbelievable."

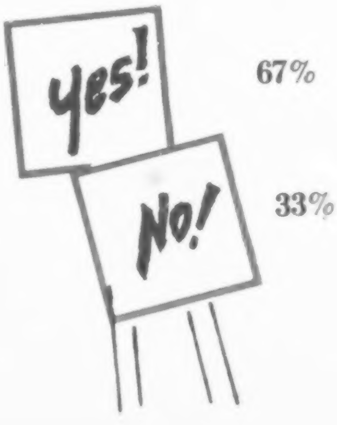
Do you know that manufacturers of many household appliances are now making models that use less energy (electricity or gas), that is, are more energy-efficient than other models?



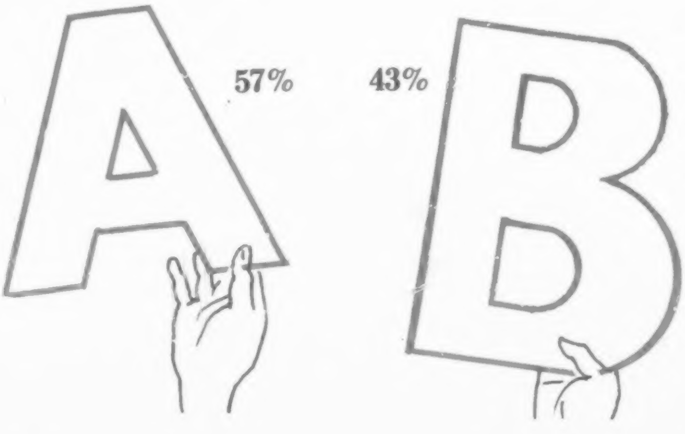
How important is energy efficiency to you?



Would you be willing to pay a higher price for a more energy-efficient product?



If Brand A has high efficiency but fewer other wanted features, and Brand B has lower efficiency but more other wanted features, which would you select?

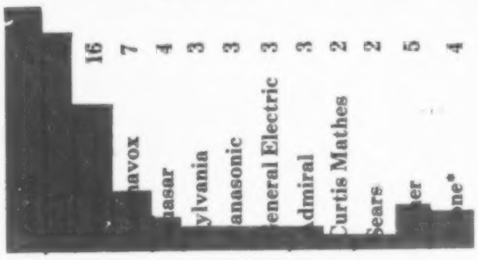


Brand Identification

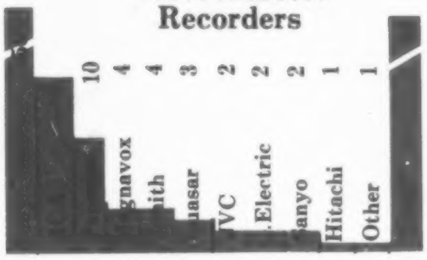
*This figure represents that percentage of the 936 consumers interviewed who could not name a brand at all or who gave an incorrect name. All other figures in these charts represent the breakdown of brand names from those consumers who could respond to these questions.

ELECTRONICS

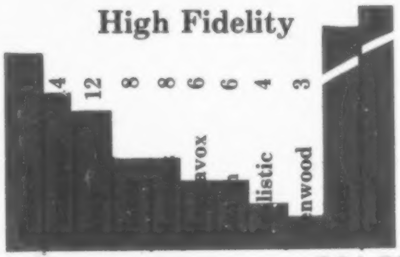
Color TV



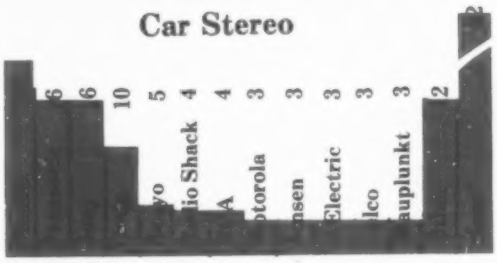
Videocassette Recorders



High Fidelity

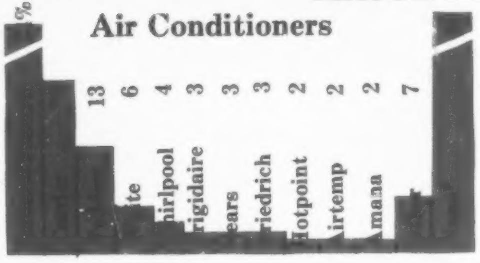


Car Stereo

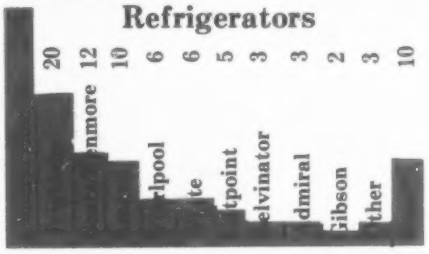


MAJOR APPLIANCES

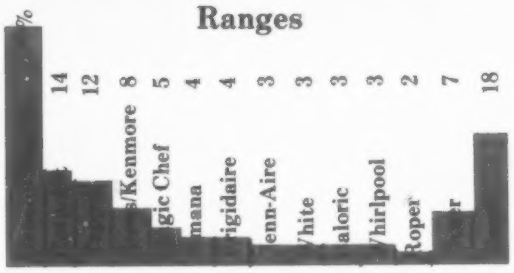
Air Conditioners



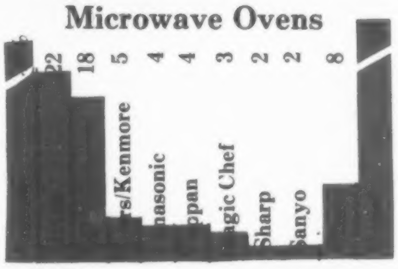
Refrigerators



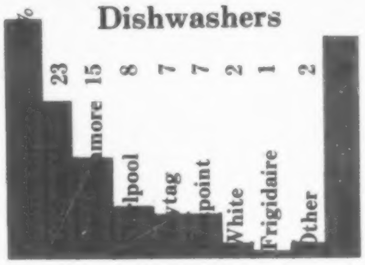
Ranges



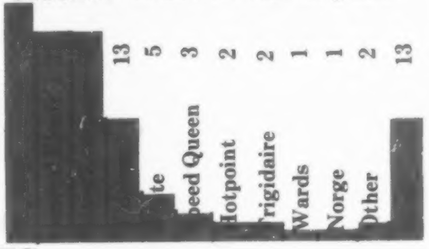
Microwave Ovens



Dishwashers

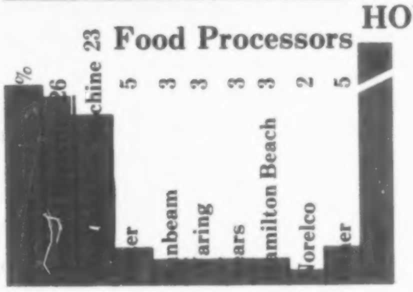


Clothes Washers & Dryers

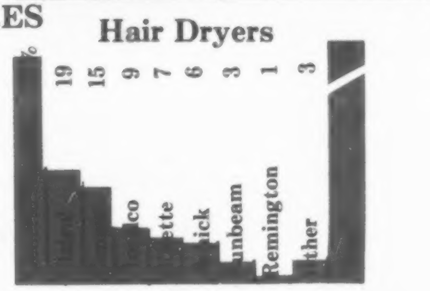


HOUSEWARES

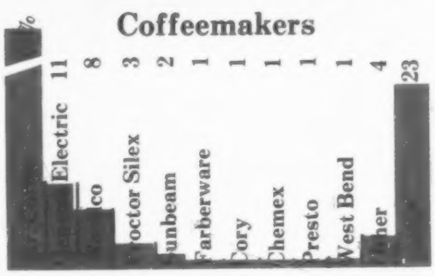
Food Processors



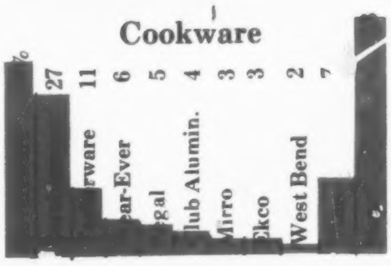
Hair Dryers



Coffeemakers



Cookware



Information

What's in a name? It depends who you ask

Brand name and brand identification are at the very core of the competition among manufacturers to attract consumers to their products.

What brand color television set comes to mind first? Hifi? Air conditioner? Refrigerator? Food processor? Hair dryer?

Consumers were asked about these and several other electronic, housewares and major appliance products. If there are any surprises in the results, they may be in the high percentage of people who couldn't think of a single brand name when asked about some fairly common products.

We also interviewed people who identified certain easily recognizeable companies with products they don't actually manufacture or market.

A Xerox color tv

Someone said: Xerox when we asked him to name a color tv brand. Another person mentioned "RCA" when we requested the name of a refrigerator brand that first comes to mind.

In some instances, consumers got the supplier's name correct, but knew the brand under different names. For example, in refrigerators, the Sears brand was mentioned under its corporate name, Kenmore and Coldspot. Similarly, in videocassette recorders, most people said Sony when asked what brand VCR came to mind first, but some said Betamax. And in hifi, Panasonic was mentioned more often than Technics, which is the actual brand name under which Panasonic markets its hifi componentry.

'No-fi' companies

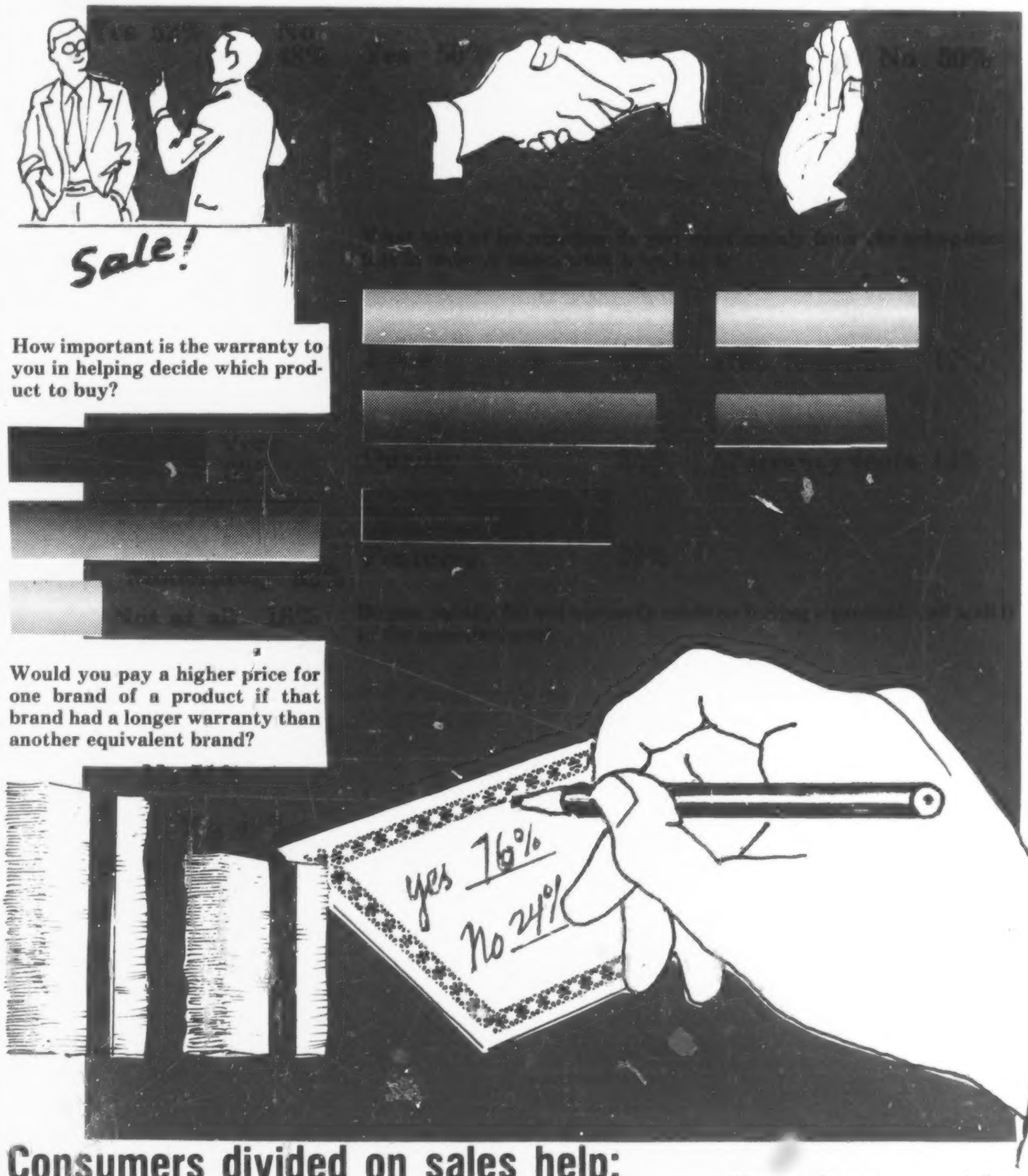
Although a few of the companies in the hifi listing aren't actually recognized as manufacturers of component hifi, such as Magnavox and Zenith, we thought it was instructive to industry marketers that so many people identified these companies with hifi and decided to leave their names in the listing.

It may be difficlt to accept as a general rule, but most household products, such as major appliances and housewares items (namely, kitchen electrics and personal care), seem to have the highest number of "nones," in that a high percent of the consumers interviewed couldn't come up with a brand name.

This also seemed to be true with consumer electronics, but with one exception: color television, indicating perhaps that both men and women are more involved in the purchase decision of this product.

When you go into a store to shop, do you usually believe what the salesperson tells you?

Of any of the products we have been discussing, would you buy a brand or model different than the one you were originally looking for if the salesperson recommended it?



How important is the warranty to you in helping decide which product to buy?

Would you pay a higher price for one brand of a product if that brand had a longer warranty than another equivalent brand?

Consumers divided on sales help; have reservations on warranties

Just over half of the 936 people interviewed around the country by *Merchandising* said they usually believe what salespeople tell them.

As far as consumer electronics, housewares and major appliance products, would any of these people buy a brand or model different than the one they were originally looking for if the salesperson recommended it? Half said yes and half said no.

"I talk to a friend who owns an appliance shop and I talk to my wife," one man told us. "By the time we go out, we know already what we'll pay. So salesmen don't mean much."

A young male student said: "The types of stores I go into have—or I expect them to have—salespersons that have expertise in knowing quality and the performance of an item.'

From another man in the Midwest: "Most salesmen think they are slick and can tell you anything and you are supposed to sop it up. The hell with that."

An interior designer from California said she depends on salespeople to introduce her to new things.

But an Atlanta laborer noted: "They change salespeople so frequently how would you know whether to take their recommendation on a product?"

Price and quality first

Consumers also made it clear that they are most interested in two things when they talk to salespeople—price and quality. Features are a little less important.

Just over half said warranties are only "moderately" important to them, but they had a lot to say about warranties, too.

"I expect the product to work," one man commented. "I don't believe in warranties. It takes too long and cost too much money to get something replaced."

A woman in Tennessee said she likes warranties because they tell her someone is behind the product.

Several people said they only concern themselves about warranties on "major' products, such as a color tv set or a major appliance.

And many of the interviewees seemed very aware of the value of the warranty card to manufacturers as a market research tool.

Opinions as to whether it made sense to pay a higher price for one brand of a product if that brand had a longer warranty than another brand were about equally divided.

Still, despite some concern about the value of warranties, most (76%) said they usually fill out the cards when they buy a product and mail them to manufacturers.

Prerecorded Videocassette Report

Record stores expand previd selections; boost number of outlets carrying video

Hikes of more than 50% in prerecorded videocassette sales are convincing record retailers to increase not only the number of titles they carry, but the number of outlets they sell them in.

Many record store owners and operators see audio and video walking hand in hand along the entertainment path. As a result, prerecorded videocassettes, blank videotape and even videodiscs are finding their way into record stores in impressive numbers.

John Schairer, general manager at Tower Records, Sacramento, CA, pointed out, all the video formats will have a tremendous impact on the record industry in the 1980's. "It's (video) going to be such an important part of this decade. It will change people's entertainment habits," he said. As video technology improves and becomes less expensive, more and more people will see it as a legitimate source of entertainment and not merely a novelty, Schairer added.

In line with the fourth quarter marketing push of video hardware and consumer awareness and acceptance of the category, Schairer said Tower Records was increasing the number of stores stocking prerecorded videocassettes. Six stores had been carrying them. That number has jumped to 12.

Tower Records is not alone. According to Bob Tolifson, vice president, marketing, Record Factory, Brisbane, CA, six stores out of 25 are now carrying videocassettes for the first time. "We've tried it because of all the hoopla about how lucrative it will be to sell video software through record stores."

Waiting for the disc

A Southern California-based retailer told *Merchandising* the number of stores in his chain selling videocassettes recently jumped from four to eight. "We're convinced that video is going to have a major impact on everybody's future," the chain's general manager said. "We're anxious to do as much as we can with video. We're waiting for disc. We're waiting for video projection to catch on as well. As they do we're in the perfect position to sell the software that goes with it."

Pacific Stereo (Emeryville, CA), has begun to stock videodisc software in its stores. Bob Gilbert, vice president, finance and entertainment, said audio and video entertainment will be tied into one another. "Home entertainment will take place in 'entertainment complexes'. Perhaps there will be a media room in everyone's home. Certainly, high quality sound systems will be amplifying the audio from cassettes and discs."

"It's partially for that reason that Pacific Stereo is stocking the Pioneer LaserDisc hardware and software in some of its stores.

Front-line movies are the bread and butter of the videocassette software market. They are often used as an effective means of promoting other titles or even products.

Big "10" promotion

"When '10' came out we used it to highlight and promote the entire Warner's catalog," Schairer said.

The availability of front-line films is often the key to the success of a prerecorded videocassette sales program. "When '10' came out everyone jumped on it," Record World's Tolifson said. "Then, it slacked off a bit. The same thing happened when 'Superman' hit the market, and when other big movies became available. People want top films and they are often willing to sit around and wait until one comes out."

As store executives decide to stock more outlets with prerecorded videocassettes, the type of programming begins to change. The X-rated film loses much of its importance and the family-oriented programs emerge. "I think a lot of people are put off by the porn stuff," Tolifson said. "We don't make it a point to carry it. We're looking to build a middle-class clientele and they're more interested in regular movies.

"Sure, we'll carry 'Deep Throat' and 'Behind the Green Door' when it's asked for," he continued. "We'll also carry Charley Chaplin or boxing 'grudge' matches when they're asked for. The point is, X-rated is no longer an important part of this business. It's a real fringe thing now."

Low key on X titles

John Schairer said Tower Records carries some X-rated titles but neither stresses them nor gives them any special merchandising help.

The Southern California retailer said that although most people want to have one or two titles in their collection that are X-rated, it's not a category that sustains business. "People grow tired of them and they turn their attention to high quality, mass market films," he said.

The question of how to best display prerecorded videocassettes remains unanswered for many. The high retail price and small product size makes some retailers wary about displaying them on the selling floor. A large number of stores continue to stock them in glass cases or near the register.

Some retailers are unsure where to display the item. "We want to give them (videocassettes) more space but we don't know what to do with them," Schairer said. "We have them now on a rack seven feet high and six feet wide behind the cash register. We're not sure we wouldn't do better with them on the floor."

Pacific Stereo's Bob Gilbert said 20% of store space devoted to video products will likely generate a disproportionately high percentage of total store volume.

Most retailers carrying prerecorded videocassettes use newspapers as their primary advertising tool. While co-op money is generally available from vendors, retailers prefer to design their own ads. "We do mostly our own ads. We don't want to become a manufacturer's representative," Bob Gilbert said.

Some retailers are still wary of the high inventory cost of prerecorded cassettes. In many cases, that wariness had convinced them to up the number of stores selling a smaller number of titles rather than increase the number of titles. "We carry 30 titles and that cost us $18,000," Bob Tolifson said. "We'd love to have 60. If we see things taking off perhaps we will."

For Tolifson, taking off would mean one turn per title every 60 days.

While they operate record stores, none of the executives said they were selling a large amount of concert programming. "We get a number of requests for concert films and videotapes, but no more than for regular films," a California retailer said.

"We don't try to go out and bring in the concerts at the expense of the films," Schairer added. "Films just happen to sell better."

—Joe Allen

Merchandising's TOP 50

		Last month's position	Months on chart
1.	**Alien** *(Magnetic Video)**	1	3
2.	**Superman** (Warner Home Video)	3	8
3.	**"10"** *(Warner Home Video)*	2	5
4.	**The Muppet Movie** (Magnetic Video)	4	4
5.	**Animal House** *(MCA Distributing)*	5	4
6.	**M*A*S*H** *(Magnetic Video)*	22	24
7.	**Halloween** *(Media Home Entertainment)*	21	5
8.	**Enter the Dragon** *(Warner Home Video)*	6	6
9.	**The Deer Hunter** *MCA Distributing)*	19	4
10.	**The Boys from Brazil** *(Magnetic Video)*	15	2
11.	**Saturday Night Fever** *(Paramount Home Video)*	17	15
12.	**The Godfather** *(Paramount Home Video)*	8	15
13.	**Smokey and the Bandit** *(MCA Distributing)*	20	4
14.	**The Rose** *(Magnetic Video)*	N	1
15.	**A Star is Born** *(Warner Home Video)*	7	3
16.	**Grease** *(Paramount Home Video)*	9	7
17.	**The Sound of Music** *(Magnetic Video)*	23	19
18.	**The Godfather II** *(Paramount Home Video)*	16	12
19.	**Jaws** *(MCA Distributing)*	13	4
20.	**Blazing Saddles** *(Warner Home Video)*	12	7
21.	**Emmanuelle** *(Columbia Pictures Home Entertainment)*	10	5
22.	**Norma Rae** *(Magnetic Video)*	11	4
23.	**Electric Horseman** *(MCA Distributing)*	14	3
24.	**The Jerk** *(MCA Distributing)*	18	3
25.	**North Dallas 40** *(Paramount Home Video)*	N	1
26.	**"1941"** *(MCA Distributing)*	24	3
27.	**Silver Streak** *(Magnetic Video)*	26	7
28.	**The Graduate** *(Magnetic Video)*	34	21
29.	**Patton** *(Magnetic Video)*	31	24
30.	**The Omen** *(Magnetic Video)*	35	5
31.	**The In-Laws** *(Warner Home Video)*	27	6
32.	**Hooper** *(Warner Home Video)*	30	6
33.	**Escape from Alcatraz** *(Paramount Home Video)*	N	1
34.	**Life of Brian** *(Warner Home Video)*	N	1
35.	**Butch Cassidy & the Sundance Kid** *(Magnetic Video)*	42	12
36.	**Dirty Harry** *(Warner Home Video)*	37	7
37.	**Tora! Tora! Tora!** *(Magnetic Video)*	45	24
38.	**The Adventures of Sherlock Homes' Smarter Brother** *(Magnetic Video)*	N	38
39.	**All the President's Men** *(Warner Home Video)*	33	6
40.	**Oh God!** *(Warner Home Video)*	40	6
41.	**Return of the Dragon** *(Video Gems)*	N	1
42.	**The Exorcist** *(Warner Home Video)*	29	7
43.	**The Wild Bunch** *(Warner Home Video)*	41	5
44.	**Hello Dolly** (Magnetic Video)	44	23
45.	**The Onion Field** *(Magnetic Video)*	N	1
46.	**Midnight Express** *(Columbia Pictures Home Entertainment)*	25	5
47.	**Barbarella** *(Paramount Home Video)*	38	12
48.	**The French Connection** *(Magnetic Video)*	46	24
49.	**Heaven Can Wait** *(Paramount Home Video)*	28	7
50.	**Foul Play** *(Paramount Home Video)*	32	7

**Companies in parentheses are distributors*
Survey is based on retail sales